HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—THIRTY-FOURTH PARLIAMENT

38 Elizabeth II

VOLUME IV, 1989

COMPRISING THE PERIOD FROM THE FOURTH DAY OF OCTOBER, 1989
TO THE EIGHTH DAY OF NOVEMBER, 1989

INDEX ISSUED IN A SEPARATE VOLUME

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

Available from Canada Communication Group — Publishing, Supply and Services Canada, Ottawa, Canada K1A 0S9.

HOUSE OF COMMONS

Wednesday, October 4, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

AGRICULTURE

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, the government dealt a serious blow to the potato, vegetable, tobacco and grain farmers of Prince Edward Island when it decided to eliminate the interest free provision of the Advance Payments for Crops Act.

As a mixed farmer from P.E.I., I am well aware of the value of the Hon. Eugene Whelan's advance payments program. It provides interest free cash flow and orderly marketing which naturally brings better prices for farmers. Without the interest free aspect the program is useless. The farmer must pay the administrative costs of the program. The interest free advances covered these costs.

To meet their expenses, farmers will be forced to put their product on the market. This will cause a glut and prices will go down. Once again the farmer loses.

Everyone involved in agriculture in P.E.I. knows how important orderly marketing is to the agricultural industry and to the provincial economy. This is just another assault on the Canadian farmer.

* * *

VIA RAIL

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, today the Minister of Transport has dealt a deadly blow to Canadians who travel by VIA Rail. Like a hangman waiting for the secretly set hour of execution, the Minister of Transport stonewalled questions in the House, raised the public level of anxiety, cowardly avoided meeting concerned mayors, ignored the Tory pledge to consultation and open government, and contradicted the Prime Minister's commitment to environmentally sustainable development.

In light of his statement today, does the Minister of Transport actually care about Canada? Does he really understand the nation building role of railways? At the present rate of dismantling, will there be a Canada left by 1992? How long can Canadians trust this government with its interminable record of broken promises?

* * *

THE ENVIRONMENT

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, industry is taking a leading role in the protection of the environment. This evening, in the riding of Elk Island, public hearings are being held by Dow Chemical into the effect that planned expansion will have on the environment. Using a team approach, industry, environmental groups, government and the public can work together to protect our environment.

In September, Proctor and Gamble announced that reductions of dioxins and furans by more than 95 per cent in pulp wood have been achieved in an aggressive research program. With the co-operation of the dioxin task force team formed by the Pulp and Paper Research Institute of Canada and the Canadian Pulp and Paper Association to deal with the challenges of dioxin and furan reductions, industry is demonstrating leadership and commitment to the protection of the environment.

Let us follow the lead of industry. Let us work together in Canada to protect our environment. Let us all work together for a better quality of life for all Canadians.

* * *

VIA RAIL

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, the Minister of Transport today announced that VIA Rail will be cut by 51 per cent. For rural Canada this is nothing more than another indication that the Tory agenda is to get out of the business of being government.

What we are seeing today is another indication that the public infrastructure, so critical to this country, is on the auction block and that rural Canada is the Conservative Government's scapegoat for its economic failure.

Air Canada is for sale. VIA Rail is now for sale. Canada's postal service is for sale. Is there nothing that has been created for the public sector which is not for sale?

The Minister of Transport said that the routes to remote communities will be maintained, but it is pending a further examination of cost-effective measures, leaving the door open for even more cuts.

Rural Canada is being sold out. Selling off VIA Rail so the private investor can cater to the vanities of those who can afford luxury travel is an insult to rural Canadians. We will not accept it.

* * *

FISHERIES

Mr. Peter L. McCreath (South Shore): Mr. Speaker, last Monday I visited the vacant National Sea plant at Lockeport, Nova Scotia. It was, quite frankly, an eerie feeling walking through that modern, well-equipped but empty facility. The hard hats were on the hooks. The lights were still on the weigh scales. Everything was ready to go, except that there were no fish, so there were no plant workers.

Fifty five percent of the tax base of the town of Lockeport is that plant. Without the plant, quite simply, the town cannot function as a municipal unit.

I strongly urge the special cabinet committee now examining the fall-out for our Atlantic coast fishery to proceed with all dispatch and urgency in order that coastal communities like Lockeport and Port Mouton can receive the support and assistance that is now urgently required.

* * *

[*Translation*]

FREE TRADE

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, the Prime Minister will recall that during the last election campaign, barely a year ago, I fought to have his Government make a commitment to paying the cost of adjustment and retraining programs needed by business, before going ahead with free trade, because I thought such programs were important.

The Prime Minister will also recall his memorable visit to *Les Boiseries de l'Outaouais* factory where he put on a good electoral show, daring to call me a hypocrite because I insisted that his Government pay attention to adjustment and retraining programs. Today, the riding of Hull—Aylmer has been hit by the closure of *Les Boiseries de l'Outaouais*; 60 families are directly affected.

Will the Prime Minister, who mentioned *Les Boiseries de l'Outaouais* as a model for dealing with the challenge of free trade with the United States, say what he intends to do in future to stop the slew of plant shutdowns that we are now experiencing throughout the country? That is what I hope, Mr. Speaker.

* * *

• (1410)

[*English*]

THE ENVIRONMENT

Mr. David Bjornson (Selkirk): Mr. Speaker, recent attention has been focused on the horrible condition of the water quality of the Red River. Recent studies by various agencies have indicated that fecal bacteria levels are extremely high in the river.

The city of Winnipeg has been cited as the source of this pollutant, which negatively affects the water quality in my riding of Selkirk.

The river is of great historic significance to the area as it was the first settled waterway in western Canada, and has also been the source of a multimillion dollar sports fishing industry as well as tourism.

On behalf of my constituents, I am calling upon the mayor of Winnipeg and the provincial minister of the environment to move quickly to reach an agreement that would lead to the improvement of the quality of water in the Red River. Enough is enough.

[*Translation*]

MEECH LAKE ACCORD

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, the Meech Lake Accord, which provides for Quebec's return to the great Canadian family with respect, honour and dignity, is threatened by the persistent refusal of two provincial premiers to ratify this historic agreement.

By refusing to ratify this accord, the Premiers of Manitoba and New Brunswick are repudiating the signature of their predecessors, who at the time were the legitimate representatives of their people.

Mr. Speaker, Quebecers are deeply disappointed by the attitude of Messrs. Filmon and McKenna who are blocking the process of national reconciliation that was unanimously adopted by the House of Commons and eight (provincial) governments representing 93 per cent of the Canadian people.

[*English*]

In 1980, 1985 and also last September 25, a majority of the people in my riding of Montmorency—Orléans and also in Quebec said "yes" to Canada. They will not accept another "no" from Canada.

* * *

IMMIGRATION

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I wish to bring to the attention of this House the plan by the immigration department to eliminate regional immigration offices in Winnipeg and Saskatoon. It is planned to centralize operations in Edmonton.

These regional offices were first established in each of the western provinces in the early 1970s, after studies indicated that large immigrant populations in each of these regions would warrant a high level of service in the late 1980s. This is perhaps truer today than it was at that time.

Where this misguided notion of amalgamating services comes from, members can only speculate. It certainly does not reflect the needs of those Canadians and would-be Canadians in the different and distinct communities of Manitoba and Saskatchewan. Removing and distancing the decision-making ability of immigration officials clearly does not provide the kind of sensitivity needed to give force to one of the Immigration Act's highest tenets, that of helping new Canadians adjust into Canadian society.

What it does show is the fecklessness of government members in Manitoba and Saskatchewan in defending the interest of their constituents and provinces, bowing instead to more powerful voices.

I ask the Minister of Immigration to reconsider this insensitive move and to act in the interest of Canadians for a change.

* * *

[*Translation*]

THE FAMILY

Mr. Louis Plamondon (Richelieu): Mr. Speaker, since this is National Family Week, I think it is appropriate to talk about the need for a genuine family policy that meets the needs of modern society.

As the Prime Minister pointed out on August 25, for many Canadians, especially single parents, obtaining daycare for their children is not just a matter of lifestyle or personal enrichment but an absolute economic necessity. In this respect, the daycare program we hope to introduce very shortly will be a concrete response to the needs of all Canadian families.

The Labour Force Development Strategy announced by the Minister of Employment and Immigration (Mrs. McDougall) is also aimed at eliminating certain restrictions regarding parental and maternity leave.

More is needed however. In addition to extending this type of leave to 20 weeks, remuneration during that period should be set at 95 percent, to avoid penalizing couples who want to have children.

Of course, considering the economic situation and the Budget deficit, implementation of these measures may be a problem. But families have their price, and as a Government, we will have to realize that sooner or later.

[*English*]

VIA RAIL

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, in taking his broad axe to VIA Rail today, the Minister of Transport has applied a strange logic to the future of Canada's tourism industry.

The government is slashing the transcontinental route from 14 to three times a week. The Rocky Mountaineer will run only once a week for four months of the year.

Even without these absurd restrictions VIA cannot meet the tourism demands during Canada's peak tourism season. Tour operators have had to literally turn business away. Yet the message we got today is that if the profitable tourism runs are to be maintained they must be picked up by the private sector. In other words, sell off our only profit-making runs and take a broad axe to the rest.

In doing so this government has finally exposed its hidden agenda to junk its commitment to passenger rail service throughout Canada.

* * *

SOVIET ARMY CHORUS

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I want to thank you on behalf of all members for once again permitting us the pleasure of receiving at noon today the Soviet Army Chorus and Dance Ensemble under the able conductor Anatoly Maltzev.

Since these brilliant artists last performed here in February, 1987, the warm winds of change have swept their country and the prospect for greater international co-operation and understanding has been greatly enhanced. These artists were among the pioneers of this growing rapprochement. It is encouraging to see them continue in their worthy cause.

[*Translation*]

Your presence and that of the Deputy Prime Minister (Mr. Mazankowski) and many Members from all parties has once again helped to breach the walls of misunderstanding.

I want to thank those who came to greet this group, including the Right Hon. Prime Minister and Mr. Alexei Makalov from the Embassy, who accompanied them.

[*English*]

Mr. Maltsev, thank you and our best wishes to all your group.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

VIA RAIL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister, a man who in piecemeal fashion is dismantling the infrastructure of our country—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): —a man who today announced the destruction of a national dream.

The Prime Minister told Canadians during the last election that VIA Rail was safe. He never told Canadians during the last election they were about to lose that railway. The Prime Minister said to the people of Canada, "Use it or lose it". Last year 500,000 more Canadians did use it. The Prime Minister has committed political fraud.

I ask him why is it that he did not tell Canadians in the towns and cities across the country that they would lose the service? Why did he not tell the thousands of employees of VIA Rail they were going to lose the service. Why did he not come clean to Canadians during the last election?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my right hon. friend would agree that the principal responsibility of the Prime Minister, the government, and the Parliament of Canada is to try and manage the economic affairs of the nation in such a way as to provide greater prosperity, and to render the economy as competitive as we can, while retaining all the fundamental instruments of our sovereignty which allow for even greater prosperity.

During the last election we campaigned on a series of initiatives, fundamental and chief among which was our commitment to make the economy of Canada sound, to make the public finances of Canada sound, and to render the economy more competitive to produce more jobs and greater prosperity for Canadians.

• (1420)

This is a difficult decision. The subsidy for VIA this past year was something in the neighbourhood of $641 million which, if unchecked, would rise to in excess of a $1 billion a year for a service that was used by a very tiny percentage of the population.

It is our view that the plan announced today by the Minister of Transport retains passenger transport across Canada, gives us the opportunity to strengthen that infrastructure, and renders Canada more competitive. I think in the longer haul it will bring benefits to all Canadians.

Mr. Turner (Vancouver Quadra): The Prime Minister not only has a duty to manage the country on behalf of Canadians, he has a primary responsibility to tell the truth to Canadians.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Today, the Prime Minister just did not destroy a dream or a notion of the past, he destroyed the possibility and the dream for Canadians to enter the 21st century with a modern efficient passenger service binding this country together. That is what he did.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, in Dartmouth, Nova Scotia, on October 14, 1988, the Prime Minister told residents: "We are prepared to submit all federal projects and all projects involving federal land to complete environmental impact studies".

Mr. Speaker, the Prime Minister did not say a partial study, he did not say an internal study. He said a complete and impartial environmental study.

How does he account for this one-page so-called study his Minister of Transport shook out of his sleeve today? Why did he not proceed with a complete environmental impact study? Why did he once again fail to keep the promises he made to Canadians during the election campaign?

Mr. Mulroney: Mr. Speaker, there are some omissions in the information quoted by the Leader of the Official Opposition. We are going to look at the whole document. What we have here is a misquote, since the Minister of the Environment is now developing an action program on the environment. It will be on the leading edge of what is being done in this field, not only in Canada but in most countries which have become major competitors in environmental science and international business.

A number of initiatives have been taken in this area. The Minister of Transport has already announced at a press conference that at the appropriate time and, in fact, very shortly, he will reveal the findings of the studies carried out by his Department.

[*English*]

Mr. Turner (Vancouver Quadra): We now hear the Prime Minister talking about an environmental impact study after the fact because a conversation between his two ministers as an afterthought will not satisfy the people of Canada.

We know that the Prime Minister today appointed a royal commission to attempt to deflect attention away from the cuts to VIA Rail.

How can the Prime Minister destroy VIA Rail and then, and only then, appoint a royal commission to study the issue after the fact? Why, in these circumstances, does he not impose a moratorium on all decisions affecting VIA Rail until this royal commission has had a chance to study it and until a committee of Parliament under the chairmanship of the member of Parliament for Annapolis Valley—Hants has had a chance to study it on behalf of the people of Canada? Why did the Prime Minister not allow this to happen before the decisions were taken?

One further question, Mr. Speaker. When the royal commission concludes, as it inevitably must, that Canadians need a modern, efficient passenger train service system, what is he going to do then to revive VIA Rail after he destroyed it today?

Mr. Mulroney: To deal with the first, and perhaps the most important inaccuracy of the Leader of the Opposition, VIA Rail was not destroyed today. VIA Rail was maintained today in a manner that Canadians can afford.

Some Hon. Members: Hear, hear!

Mr. Mulroney: It is true, Mr. Speaker, that we do not have all of the answers in respect of the transportation needs of the 21st century. We have appointed a royal commission to deal not only with passenger transport but inter-modal transport, ranging from the infrastructure for airports, to train service, to passenger service involving buses and general transportation.

If this kind of thought and study had gone into these transportation problems at some time in the past, the Government of Canada could have avoided things like Mirabel.

Some hon. members: Hear, hear!

Mr. Mulroney: Mr. Speaker, it is precisely to avoid the kinds of policies initiated on a whim by a Liberal government that we are going to seek the finest expertise to draw for Canada, a sophisticated nation entering the 21st century, a blueprint of our transportation needs to guide us all.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, on the question of VIA Rail, this Prime Minister is beginning to sound like the American officer during the Vietnam war who said, "We had to destroy the village in order to save it".

Today, the Prime Minister sent his messenger to the Press Gallery to announce that 2,761 VIA employees no longer have a job, to announce that three million Canadians who rode the rails in 1988 no longer have a train to ride and to announce that over half of VIA's network is being shut down—in short, the end of VIA Rail.

Why has the Prime Minister, who was mute about this matter during the last election, betrayed the disabled, the elderly, the youth, the poor, the small towns, and the regions of this country?

Mr. Mulroney: Mr. Speaker, I think our friends from the Liberal party are going to have to make up their minds. The Leader of the Opposition has just blamed me for saying too much about VIA Rail in the last election. Now this member says I was mute.

The fact of the matter is that the government has maintained a passenger link, and has initiated studies that we hope will provide for Canada's transportation needs well into the 21st century.

I think my hon. friend would be the first to agree that you cannot build a transportation system for the 21st century on a 19th century infrastructure. That is what we are trying to change.

Mr. Tobin: Mr. Speaker, it takes incredible gall to announce a royal commission into the mess that this government has made of the transportation infrastructure in Canada, but that is what this Prime Minister has done.

How can the Prime Minister expect Canadians to believe the government wants impartial advice when it has already, without consultation, butchered VIA Rail? Is not this royal commission nothing more than an autopsy of the Prime Minister's latest victim?

Mr. Mulroney: Mr. Speaker, the Leader of the Opposition says we killed VIA Rail. Then, all of a sudden, it is less mortal, we have butchered it. I am saying we have saved VIA Rail.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Prime Minister. Only the Prime Minister of Canada would say that cutting something by 51 per cent is the way you go about saving it. That is Conservative logic.

I want to ask the Prime Minister this. The announcement today by the Minister of Transport means the loss of a minimum of 11,000 jobs, directly and indirectly, by VIA and all those communities that it has an impact on. It means the destruction of regional services in Atlantic Canada and elsewhere—a major reduction in national transportation service. Then we are going to have a multimillion dollar royal commission.

• (1430)

I want to ask the Prime Minister why the government did not announce its commission and listen to its results before it made up its mind about this wholesale destruction across the country.

Mr. Mulroney: Mr. Speaker, I suppose that when you strip the rhetoric away what the hon. member is asking me is in respect of the royal commission.

It is a fact that I do not have, and I do not think anyone in this House has, a complete vision of the requirements for intermodal transportation in Canada in the 21st century.

Clearly one of the elements of passenger rail will be VIA Rail. This is why we have taken initiatives to save VIA Rail and maintain it across the country, which will still cost Canadian taxpayers hundreds of millions of dollars in subsidies every year.

Notwithstanding that, we have taken this decision to save VIA Rail, and concurrently appoint a royal commission, and I think that my hon. friend would only agree that it is prudent to invite experts from Canada and around the world to help us address the transportation requirements of all kinds into the 21st century.

That, together with parliamentary input from all parties, will I think give Canada the transportation policy into the next century that we now lack.

Mr. Broadbent: Mr. Speaker, my next question is for the Prime Minister. The government has been in power since 1984. It is the greatest admission of the disastrous Ministry of Transport and the ministers if now, after all that time in office, the Prime Minister says that he does not know what we should be doing going into the next century. Why don't you know what you are doing?

If we now have a royal commission that will systematically look at the integrated needs of transportation such as rail, car or airplane, and if in doing that it should reach the decision that we ought not to be laying off 11,000 people as we are today and destroying the infrastructure of Atlantic Canada and elsewhere, is the government prepared to reverse its decision when it hears from the royal commission? If it is prepared to reverse its decision, does it make any sense at all to make the decision now and then have a royal commission? How ridiculous can you get?

Mr. Mulroney: Mr. Speaker, first of all let me correct my hon. friend. There is no question of VIA Rail laying off 11,000 people. We do not have 11,000 employees. The service will be maintained. The passenger service will be maintained in a proper way across the country still at a cost of some hundreds of millions of dollars a year.

For example, when a passenger gets on a train to go from Montreal to Ottawa the return tab picked up by the taxpayer is approximately $100. There are areas in western Canada that when a passenger gets on a train for a trip the subsidy is in the neighbourhood of $475 per trip. I think my hon. friend will agree that subsidies which extend into the billion dollar mark and are a few hundred dollars per passenger are abusive by any standards, particularly for a country that needs to bring its deficit down, so that that deficit reduction can have a favourable impact on interest rates and economic growth.

One of the reasons we have combined the study is precisely because we are able to maintain VIA essentially intact concurrent with an important transportation study. I do not believe there has been a study of transportation of any substance in Canada publicly done for some 30 years since the MacPherson Royal Commission. It is just about time that Canada defined a new policy for the requirements of the 21st century.

Mr. Broadbent: Mr. Speaker, the Prime Minister will know that in the United States, because it made the appropriate decision some years ago in modernizing Amtrak and attracting people to use the service, they now have a very minimal level of subsidization and that has continued in the United States. The Prime Minister knows that in Canada we now spend millions subsidizing roads. We spend millions subsidizing air traffic, and the people of Canada require in all regions some continuing level of subsidization in trains.

My question to the Prime Minister is the following one. Why don't we have the capital investment required to make a first rate modern rail service and continue that, like all other modern nations do around the world?

Mr. Mulroney: Mr. Speaker, my hon. friend asks the question rhetorically why Canada does not follow the intelligent policy invoked by Amtrak. The reason is the following.

In 1971 Amtrak scrapped 75 per cent of its passenger routes in the United States. By and large it kept the high density corridor traffic which given the different demographics makes Amtrak a more economically viable operation than the one we obviously have in Canada.

That is why we did not follow the Amtrak policy which quite frankly had we done so would have meant the complete termination of VIA Rail throughout Atlantic Canada and areas of western Canada and maintaining corridor traffic between Windsor and Quebec City. I want to tell the leader of the New Democratic Party that in our minds Canada does not extend from Windsor to Quebec City. It extends from one end of the country to the other, and that is why we are maintaining the traffic.

Some Hon. Members: Hear, hear!

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, my question is for the Minister of Transport. I listened to his press conference very intently, and what he told us today was that there are 2,761 jobs lost because of this 51 per cent cut. Now I know for a fact that is not true. Just taking CN and CP employees alone it rises to 3,600 jobs. The minister did not put that into his little quotation of those jobs that will be lost.

Taking that into account, I have the following question for you, Mr. Minister. Exactly how many jobs? Can you tell this House the honest truth about how many jobs will be lost? There are not only 2,700; there will be way more. How many will there be? Tell us the real truth about how many jobs will be lost because of the 51 per cent cut.

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, this morning, I tabled official documents concerning job losses and for once, instead of referring to leaked documents that provide false information, I urge you to refer to the documents you were given this morning, where I say that the VIA Rail closures and cutbacks will result in 2,761 layoffs. We recognize the problems due to restructuring, but I must say at the same time that the collective agreements governing those who work for the railways in Canada are among the most generous in the country and will cost $140 million over five years. I think that the Government has been generous with these employees in accordance with the signed collective agreements, and I ask the Opposition Parties to admit that finally, we in Canada will have a rail transport system that we can afford and that can last.

[*English*]

Mrs. Diane Marleau (Sudbury): Mr. Speaker, nowhere in this country—

An Hon. Member: Here we go.

Mr. Speaker: I don't want to hear what I just heard again. The hon. member for Sudbury.

Mrs. Marleau: Nowhere in this country is transportation more important or more vital than in northern communities. Yet, Sudbury and many other of our communities are receiving one blow after another to their transportation services.

• (1440)

Just this past Monday we were told that Air Canada was stopping all services to Sudbury and other communities in northern Ontario. Today, we have the shutdown of VIA Rail in northern Ontario and across this country.

Mr. Prime Minister, why have you brutalized the regions of northern Ontario this way?

[*Translation*]

Mr. Bouchard (Roberval): Mr. Speaker, obviously, I do not agree with my colleague about the northern part of the provinces. For the particularly remote regions, we have maintained nine so-called remote routes in the national transportation system so that citizens who do not have other means of transport can still travel.

As for Air Canada, Mr. Speaker, deregulation has made it possible to develop a series of quality airlines like Air Nova, Air Atlantic, Air Alliance and Air Ontario in this country; these regional airlines provide communities with services they did not have before. Air Canada is a private company that has the right to withdraw from some of its activities. But at the same time, Air Ontario will continue to provide services and to give the people of Sudbury the services they had before. It has not been proven that the services of Air Ontario will be inferior to those of Air Canada.

Mr. Speaker, the Canadian transportation system is complex, but using private enterprise and public services, we are giving Canadians the best.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Minister of Transport just announced that more than 1,800 jobs will be cut in Quebec, including 900 in Montreal. He added that Montreal could easily absorb these losses. In other words, nothing to get excited about. What a relief for the employees who are being laid off!

Does the Minister have the nerve to rise again in his seat and tell these workers, right here in the House, there is nothing to get excited about?

Mr. Bouchard (Roberval): Mr. Speaker, I certainly do have the nerve to rise again in my seat, and I would even go so far as to inform my hon. that I don't understand why she didn't at least check her information against the figures I gave two hours ago. Mr. Speaker, Quebec will lose 994 jobs, including 912 in Montreal, which is certainly not what the figures the Hon. Member quoted imply. So before getting worked up about figures that are wrong —I kept telling them: Wait for the real documents! I can see getting the figures wrong with leaked documents, but now they have the real documents, and they still can't get their facts straight.

Once again, I wish you would check your figures, and I wish you would realize that the collective agreements for these employees are the very best in Canada, and that we will spend $140 million so employees can benefit from the advantages of the agreements they signed.

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Once again, Madam Speaker, the Conservative Government has abandoned the entire Montreal region. More than 900 jobs are directly affected I said "more than" and thousands of other jobs in related sectors will disappear. What does the Prime Minister intend to do to help the entire Montreal region which is already disadventaged, and especially the families affected by this decision?

Mr. Bouchard (Roberval): Mr. Speaker, the Government of which I am a member has done for Quebec and Montreal what the previous government never did. Mr. Speaker, I repeat that the Conservative Government has done a great deal for Montreal and will continue to do so. However, when difficult decisions have to be made, whether those decisions happen to concern Montreal or other areas in this country, we make those decisions in terms of the national interest, which is the case with the decisions we made today.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw the attention of the House to the presence in our gallery of Mr. Charles-Ferdinand Nothomb, speaker of the Chamber of representatives, and Mr. Edward J. Leemans, senator and honorary speaker of the Senate, who are accompanied by a delegation of Belgian parliamentarians.

Some Hon. Members: Hear, hear.

* * *

[*English*]

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport.

Earlier today in his press conference he indicated that he encourages any proposal to take over and operate a rail passenger service. In fact, according to a wire story tour operator Sam Blyth said today that he has permission from Transport Minister Bouchard and VIA Rail President Ron Lawless to start a luxury continental service from Toronto to Vancouver beginning next June. Tickets go on sale October 14. The cost is $2,495 a person. Anyone else who wants to buy a piece of the national dream need only contact Ron Lawless.

How can the Minister guarantee the continuation of a national rail passenger service if he is going to sell it off literally piece by piece?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the information given by this member is absolutely false.

Mr. Angus: Mr. Speaker, perhaps he might want to talk to Sam Blyth who has put out a press release that was on *Midday* today.

I have a supplementary question for the Minister of Transport. It is interesting to note that in terms of cross Canada services the Minister of Transport has announced that the Canadian, which uses the Canadian Pacific lines, is to be cut out entirely, yet the Super Continental that uses CN lines, which according to his own documents is more expensive for VIA to operate on, is going to remain.

Could the minister tell this House whether this choice of routing, the choice of CN over CP, is based on the needs of the travelling public or on the needs of the president of VIA Rail who is also the president of the CNR?

[*Translation*]

Mr. Bouchard (Roberval): Mr. Speaker, once again the Hon. Member for Thunder Bay—Atikokan sees problems where there are none. This morning, at a press conference, I explained that the northern Supercontinental route was to be preferred because of the higher population density, and as for the southern route, we already had a section that was partly covered by the Rocky Mountaineer line between Vancouver and Calgary. I repeat, Mr. Speaker, the decisions were made in terms of a national network, a network we can afford and a network that can be viable!

[*English*]

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, my question is for the Minister of Transport.

People in Canada would like to see the involvement of the private sector in VIA Rail. What consideration has been given to involve the private the sector in the operation of VIA Rail?

Mr. Bouchard (Roberval): Mr. Speaker, what I said this morning and what I will repeat in the House is that we will be open to any good and reasonable proposal which will be made by the private sector and will be considered with a view to improving services for Canadians.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Prime Minister.

The Prime Minister says he saved VIA Rail. Well, he certainly did not save it in eastern Nova Scotia where its loss has been devastating.

This morning the Prime Minister spoke with a little girl who was a member of a group of students from Sydney Mines visiting Ottawa. She told him that if he did not save the trains her grandparents were not going to vote for him any more. The loss of those two votes is only the beginning.

• (1450)

Why has the Prime Minister, a graduate of St. Francis Xavier University, reduced eastern Nova Scotians to the level of second-class Canadians, when he stood in his place just a few months ago and said that there would be no second-class Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend indicates and probably quite accurately that as a result of this decision today we are going to lose votes. The fact of the matter is that we did not do this for votes. We did it because it is right for Canada.

My hon. friend refers to Nova Scotia where the rail link has been maintained six days a week into Halifax, where the maintenance centre in Halifax will be maintained. It is true that in Nova Scotia as elsewhere there are some lines that will be discontinued. We very much regret that. My hon. friend will recognize that we have worked very hard on behalf of Cape Breton with some of the initiatives taken and in eastern Nova Scotia, in particular.

My hon. friend is the first to know that the government and Parliament have had good results in some of the areas that we have involved ourselves in since 1984. The employment statistics are there to prove it.

It is true that there are these lines that are being discontinued, and we regret that very much. As my hon. friend examines the costs and the subsidy per capita required in each of these, I think he will come to the view that the taxpayers of Canada and the Parliament of Canada, which have other obligations in Cape Breton and we should assume more, can better spend taxpayers' money on behalf of a stronger Cape Breton and a stronger eastern Nova Scotia in ways other than those that we have followed in the past.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I would like to ask the Prime Minister a question. Why did he not tell the electorate before the last election what he just told us now about the cuts to VIA?

Today they announced that the train which goes from Halifax to Yarmouth will be eliminated as of January 15, 1990. Ridership on the line that serves my colleague from Annapolis Valley, myself, and many thousands of constituents was up by 12 per cent in the first quarter of this year.

The Deputy Prime Minister gave the challenge to Canadians, and in particular to the people in the valley and in southern Nova Scotia, to use the train. They used it. The ridership was up by 12 per cent this year in the first quarter. Why did they cut it? They used it and now they have lost it. Why?

Mr. Mulroney: Mr. Speaker, just for the record, I want to advise my friend who also has roots in eastern Nova Scotia that I would contest and be happy to discuss with her some of the figures that she has just used.

However, in fairness, I think should point out that on February 24, 1986 the government, in a statement by the then Minister of Transport, said: "At the same time the government is committed to a major reduction of subsidy payments for VIA Rail. Federal funding will be reduced to $400 million by 1989." The Minister then went on: "Corridor or regional services may be discontinued if they fail to meet financial performance targets for any two consecutive years after December 31, 1986. Transcontinental services may be cut to three times a week if they fail to meet 60 per cent of specific costs for any two consecutive years after December 31".

The government did put out to my hon. friend and colleagues in the House of Commons very substantial advance warning of our intentions and of our obligations. The figures that my hon. friend uses to justify her argument are, may I respectfully say, quite wrong. The figures that the minister has produced today justify the decisions announced.

Mr. Guy H. Arseneault (Restigouche): Mr. Speaker, the Conservative government has decimated the region of Campbellton, New Brunswick with its destructive rail transportation policy and is now removing all local lines in New Brunswick.

[*Translation*]

My question is directed to the Prime Minister. Why doesn't the Prime Minister ask the Minister of Transport to declare a moratorium on all service cuts at VIA Rail, pending the report of his royal commission of inquiry? Or is this commission just a ploy to deceive Canadians?

Mr. Bouchard (Roberval): Mr. Speaker, this morning I thought the Liberal Party would have understood the purpose of this royal commission of inquiry. VIA Rail is a problem that costs a corporation $900 million, a problem that needs an additional $250 million. These are the kinds of figures Canadians understand and these are the figures Canadians want us to change.

Mr. Speaker, the VIA Rail decision deals with a corporation that is inefficient, that does not work and that costs too much.

Mr. Speaker, that being said, in the years to come, beyond the year 2000, we must be able to integrate our transportation network in this country. We must know how much we are going to invest in the railways in highway transportation and in the air and marine transport modes. If I followed the example set by the Liberal Party for 20 years, 50 years from now we would still be spending money piecemeal on transport.

[*English*]

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is directed to the Minister of Transport. The employees who work for VIA Rail are not numbers, not dollar signs, not person-years on a balance sheet. The ripple effect of the VIA job cuts will hit every home in the ridings of Moncton and Beausejour. It is nonsense to suggest that CN and CP were not making a huge profit on VIA's utilization of their lines and that profit is now going to be lost.

My question for the minister is as follows: Is the next shoe to fall the complete elimination of CN in Atlantic Canada?

Mr. Bouchard (Roberval): Absolutely not, Mr. Speaker. The decision which has been made today about VIA Rail does not involve CN and CP.

I want to correct something here today that people on the other side use all the time. In 1983 the money that VIA had to pay to CN and CP was 65 per cent of the budget, but with the good policy of the Deputy Prime Minister today this money is 15 per cent.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, my question is for the Minister of Transport.

British Columbia is severely affected by the cuts to VIA Rail. The Super Continental has been reduced to three times weekly. The Canadian has been done away with. On Vancouver Island the Esquimalt and Nanaimo run has been completely eliminated. These measures demonstrate this government's complete contempt for the regions of Canada. Passenger service on Vancouver Island was a condition of B.C.'s entry into Confederation.

Is this government serving notice to the people of Vancouver Island that they are no longer welcome in Confederation?

Mr. Bouchard (Roberval): Mr. Speaker, I can say as a member of Parliament from Quebec who has been in British Columbia three times this summer that you are fully welcome in Canada, indeed.

I would also like to say that in British Columbia we have maintained the services that we can afford in the national perspective.

My colleague will understand that between Jasper and Prince Rupert the cost for every passenger who uses the train is $483 which is paid for by the Government of Canada and Canadian taxpayers and we continue to pay this amount of money. I believe that we have treated British Columbia as any other province of this country.

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Minister of Transport and it relates to the credibility of this government.

In 1985 the government said to Atlantic Canadians: "Use it or lose it" with regard to VIA. Today thousands more Atlantic Canadians use the rail system.

Earlier today another member asked whether or not the Halifax maintenance yard would be closed. The Prime Minister said that that is not true. The document that was passed out today states that the Halifax maintenance centre will be closed. That is it.

When are you going to tell the truth to the people of Canada?

• (1500)

Mr. Bouchard (Roberval) Mr. Speaker, the Prime Minister said that the Halifax maintenance centre will be kept open, and the Prime Minister is right. I believe though that there is still some work to do at the Halifax maintenance centre.

I answer as the Minister of Transport to the House of Commons. I answer to the House of Commons once again that the Halifax maintenance centre will be kept open, and I will hold all necessary discussions with the president of the VIA Rail.

Some Hon. Members: Hear, hear!

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is also for the Minister of Transport. Instead of 14 westbound trains leaving Winnipeg each week, there will now be only three. The Rocky Mountaineer which the minister himself admits is one of the most popular rides across Canada will be reduced to one trip a week for five months of the year. Considering that tourism is the fastest growing industry in the west, these cuts are a severe blow. How can this government claim it wants regional economies to diversify and prosper when they are dismantling the national transportation system?

[*Translation*]

Mr. Bouchard (Roberval): Mr. Speaker, I have heard this particular comment on tourism several times.

First of all, I think it is somewhat premature to assume tourists will stop travelling altogether, just because we have closed a certain number of lines. After all, other means of transportation are available to tourists.

Second, as I said earlier, the Government intends to promote any initiatives that will encourage Canadians and tourists in general to use various means of transportation.

[*English*]

Mr. Bob Wood (Nipissing): Mr. Speaker, in northern Ontario in the past two days the actions of this government have caused the pull–out of Air Canada's service to North Bay, Sudbury, Timmins and parts of northern Quebec. Now the government has cut out VIA service by the loss of "The Canadian" route and also the removal of the Toronto to Kapuskasing run.

My question is for the Minister of Transport. Why is the Minister of Transport trying to make it really impossible for the people and businesses of northern Ontario to exist and at the same time compete at the same level as the large southern urban areas?

Mr. Bouchard (Roberval): Mr. Speaker, I believe that northern Ontario, northern Quebec, or any other part of the country, has been considered in the national perspective and within the capacity we have to pay for the services we have. The decision has been made in that perspective. That is why we kept services in many parts of the country. Once again, I will repeat again, we will pay for the service that we can afford, but we cannot afford any more,to put $641 million in a transportation system which carries 3 per cent of Canadians.

Mr. Speaker: I want to advise the House that I will hear a single question from the hon. member for Nickel Belt, followed by a single question from the hon. member for London East.

[*Translation*]

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Transport.

The cuts announced this morning by the Minister of Transport are directed at the economy of the country in general and of the Montreal area in particular, where half the VIA Rail jobs are located.

Is the Minister able to say exactly how many jobs will be affected in Montreal, both at VIA Rail and in local industry, by which I mean VIA Rail's suppliers—more than a hundred companies?

Mr. Bouchard (Roberval): Mr. Speaker, I just answered that question from another colleague, saying that the official figures, which you can use because they are reliable, show that 912 jobs will be lost.

But the Hon. Member tells me that we are jeopardizing Montreal's economy. Mr. Speaker, Hon. Members of this House will be glad to know that over the next five years, given the deficit we inherited from the previous government, these measures will save $1 billion in government operations alone.

Mr. Speaker, that is what I call enlightened government management.

[*English*]

Mr. Joe Fontana (London East): Mr. Speaker, my question is for the Minister of Transport. In southwestern Ontario where one in five of the travelling public uses VIA Rail, where senior students, working men and women, and business people, need the service, where our highways are already congested and have become death traps, how can this government cut service to southwestern Ontario by more that 60 per cent? How can the minister justify this cold, callous, irresponsible action?

Mr. Bouchard (Roberval): I would say, Mr. Speaker, that I am very proud to be able to say that we have maintained almost all services in southwestern Ontario. I believe that is what Canadians want. But at the same time, whether it be southwestern Ontario, Quebec, the maritimes, or any other part of Canada, decisions have to be made with a national perspective and they will continue to be made in that way. When I look at the number of trips which will be made from Toronto to Windsor, Toronto to Sarnia, Toronto to Niagara Falls, I repeat, I am proud of the decision.

* * *

POINT OF ORDER

ANNOUNCEMENTS BY MINISTERS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, it is a time-honoured tradition in this House that when ministers of the Crown are announcing major new initiatives and major policies that it be done before this House and not before any other bodies. The Minister of Transport this morning made his announcement at the National Press Theatre instead of in the House of Commons.

Because of the exchange here in the House during Question Period it is clear why the minister should have made his statement here, where we have obvious information, differences of opinion, differences of fact being presented at the same press conference by the president of VIA Rail than were presented by the Prime Minister and the Minister of Transport today.

I would ask that you review the situation to determine if in fact the privilege of Parliament as a whole has been breached because of this announcement outside the chamber.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the point that my hon. friend has made and I will deliver a letter to him as soon as possible indicating, I am sure, that this government has made more use of ministerial statements than any government in the past 10 to 12 years and to demonstrate that we are using the House for that type of thing. Today is Wednesday and my hon. friend knows that this announcement was made with all immediate haste and that—

Some Hon. Members: Oh, oh!

Mr. Lewis: No, as soon as it was taken. The Minister made himself completely available in Question Period, and was here for the entire Question Period. The opposition has had full and ample time to question the minister and we will stand on our record on ministerial statements against any previous government.

Mr. Rod Murphy (Churchill): Mr. Speaker, I think the point been made by the member from Thunder Bay—Atikokan is that we knew this announcement was coming down for a week. We had the leaked document which the government denied for one full week, day after day. It was announced that this statement was going to be made Wednesday.

The problem that we have is that this statement was not made in the House of Commons. We have proof today from the conflicting answers that I received from the Prime Minister and from the Minister of Transport that we do not know whether or not the document given out at 11 o'clock is accurate because the Prime Minister says the Halifax maintenance centre will be kept open, and now we have—

Mr. Siddon: So did the Minister.

Mr. Murphy: Yes, and then the Minister of Transport got up and said exactly the same thing. The problem is that the document issued this morning says the Halifax maintenance centre will be closed. It does not say open part way. It does not say open for one or two people. The government should have made the point in the House, given us the documents in the House, and stood by the documents that it has given to the people of Canada.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, the Prime Minister and the Minister of Transport said very clearly today that the Halifax maintenance centre is going to be maintained. Now during the press conference after the announcement at 11.30 today, the President of CN and of VIA, Mr. Lawless, stated quite clearly in response to a question from a reporter that 190 jobs would be lost in the Halifax area due to the shutting down of the Halifax maintenance centre.

I think this government better get its act together and tell Canadians, the travelling public, and the people employed by VIA Rail what the truth is. Is that centre going to be closed down? Are those jobs going to be lost? Who is misleading whom in this case?

• (1510)

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the answer that was given by the Minister of Justice to the point of order raised by the hon. member for Thunder Bay—Atikokan—

Mr. Lewis: It wasn't a point of order.

Mr. Milliken: It was a perfectly good point of order. The answer that was given was quite unsatisfactory. The Minister of Justice says that this government has made more ministerial statements in this House than any other. The ministerial statements have not dealt with the major issues of government policy, they have dealt with announcements of family week or international fairness week, or whatever they have been. They have been motherhood announcements on minor matters compared with this kind of item that is slashing the livelihood of thousands of Canadians.

Mr. Speaker: The point of order is specifically this, whether it is appropriate for the government under the circumstances to have made an announcement by press conference other than by ministers' statements. That is the sole issue.

The hon. member for Kingston and The Islands might conclude on that point.

Mr. Milliken: Mr. Speaker, I was getting to that. I was trying to answer the comments that were coming from across the way. The fact is that there has been a practice in this House for years for ministers to come into this House and make major policy statements. It was a practice, I may say, Mr. Speaker, that was followed very, very carefully by the previous Liberal administration up until 1984.

We are faced now with a situation where the government has made a major policy announcement while the House was sitting. This House was sitting this week and the minister could easily have delayed this statement until Statements by Ministers in the next few minutes this afternoon. The minister could have made his announcement yesterday afternoon. We are told that the minister had to do it in a great frantic rush this morning at a press conference that was called only this morning. I say that it is a contempt of this House for the minister to avoid making his statement here.

Parliament sits to hear the policies of the Government of Canada and to comment on them. It is our job as members of Parliament to make comments on those policies as they are announced. Those announcements should not come out by way of press conference. We are not expected to respond by way of press conference and yet that is exactly the expectation raised by this abuse of the precedent and practice of this House.

I could quote extensively from previous members of the Conservative party. Mr. Diefenbaker used to chastise the Liberal Government constantly for making very minor announcements outside this House. Liberal governments made minor announcements outside but the major ones were all done in here. This was a major announcement that should have been done here.

Mr. Speaker: The Speaker, of course, is not supposed to have any personal memory of events in this place. But I do, and it has been customary from time to time over many years for complaints to be laid before the Speaker with respect to whether or not it was appropriate for the government to make a statement in the House which, of course, if that is done under the rules enables both opposition critics to have equal time to respond.

It has been argued by members that sit on both sides of this House on different occasions that that is the more appropriate way to proceed. I must advise Hon. Members and the public who are listening that that is not a practice which is stipulated in any rules of this House. Of course, as the Chair always says, if the House wishes to change the rules then the Chair will certainly abide by them. There are no rules to that effect, as I say, and the Hon. Member for Thunder Bay—Atikokan, in raising this point, raises a complaint.

The government has made a response which may or may not satisfy hon. members but it is not a point of privilege and it is not a contempt of the House. I would suggest that Hon. Members discuss with each other ways and means by which the practice of making statements in the House can be followed as often as possible.

ROUTINE PROCEEDINGS

[*Translation*]

VIA RAIL

TABLING OF SUMMARIES OF CORPORATE PLAN AND BUDGETS

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour of tabling, in both official languages, summaries of the 1989–93 corporate plan for VIA Rail Canada Inc. and the 1989 capital and operating budgets.

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 106.8 I have the honour to table in both official languages the government's response to petitions nos. 342–0879 342–0881, inclusive.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*Translation*]

INTERNATIONAL ASSEMBLY OF FRENCH-SPEAKING PARLIAMENTARIANS

TABLING OF SECOND REPORT OF CANADIAN SECTION

Mr. Louis Plamondon (Richelieu): Mr. Speaker, pursuant to Standing Order 34, I have the honour of tabling, in both official languages, the second report on the activities of the Canadian Section of the International Association of French-speaking Parliamentarians.

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BILL C-20

TABLING OF COMMITTEE REPORT

Mr. Guy Ricard (Laval): Mr. Speaker, I have the honour of tabling, in both official languages, the report of the Legislative Committee on Bill C-20, an Act to amend the Excise Tax Act and the Excise Act.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*English*]

PETITIONS

VIA RAIL

Mr. Jim Fulton (Skeena): Mr. Speaker, I am honoured to present to the House petitions that have been certified pursuant to Article 36 as being correct in terms of their form. These British Columbians are concerned about the government's proposals to slash VIA Rail. I suppose on a day when it has been slashed by 51 per cent the government would want to know that there are already thousands, if not hundreds of thousands of Canadians who are already opposed to what the government was proposing and are certainly proposed what it has done today.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I have a petition certified pursuant to Standing Order 36 from 175 British Columbians expressing fear that the government was going to cut VIA Rail by one-third and perhaps more so now that the government has announced it is cutting it by 51 per cent.

We, the undersigned, call on Parliament to maintain the existing VIA network, upgrade VIA equipment and guarantee VIA sufficient support to carry out its mandate to provide passenger service to all Canadians.

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I also have a petition pursuant to Standing Order 36 from residents from Ontario and British Columbia who say that VIA Rail service is essential for many Canadians and has been a part of Canada for more than 100 years. They call upon Parliament to maintain the existing VIA network, upgrade VIA equipment and guarantee VIA sufficient support to carry out its mandate to provide passenger service.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I also rise under Standing Order 36 to present a petition signed by over 150 people from the lower mainland in British Columbia. Most of these people are from the municipality of Burnaby and the City of New Westminster which is in my riding. They are very concerned about the cut-backs to VIA Rail service. They ask the government to maintain the existing VIA network, upgrade the equipment and guarantee VIA sufficient support to carry out its mandate to provide passenger service from coast to coast in Canada.

PROPOSED GOODS AND SERVICES TAX

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I have the honour to present to this House today a petition signed by constituents in my riding who are adamantly opposed to the tax on music lessons.

VIETNAM

Mr. Mac Harb (Ottawa Centre): Mr. Speaker,I have a petition signed by members of the Vietnamese community in my riding and throughout the region who are calling on the government to pressure the Vietnamese government to properly deal with the constituents in that particular area.

[*Translation*]

NAC ORCHESTRA

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is my duty to present to the House a petition signed by residents in my riding. Your petitioners humbly pray that the National Arts Centre Orchestra be maintained, and their petition reads as follows:

That assurances by given, first of all, that the National Arts Centre will maintain the present number of musicians and the same level of excellence in its orchestra, and that a sound cultural background will be the main consideration when appointing new members to the NAC's board of directors

• (1520)

[*English*]

PROPOSED GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a petition signed by constituents of mine relating to the sales tax proposal. These people are very upset at the government's proposal to slap a 9 per cent tax on goods and services. They maintain that this tax will not only be hidden and inequitable, but the petition reads that Liberals on behalf of Canadians strongly oppose this goods and services tax which is an unprecedented tax grab from the pockets of Canadians and will hit them not only with higher taxes but with higher inflation, higher interest rates and higher unemployment. For those causes these people would like to see this tax rejected by this House.

VIA RAIL

Mr. Jim Karpoff (Surrey North): Mr. Speaker, it is an honour to be able to present pursuant to Standing Order 36 a petition signed by a number of Canadians from Ottawa, Montreal, Yorkton, Saskatchewan, my own riding of Surrey, British Columbia, Port Coquitlam. They all petition that the government maintain the VIA Rail service as it is a vital service connecting Canada.

RCMP DRESS CODE

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, I have the honour today under the provisions of Standing Order 36 to present many petitions. In fact, I have hundreds of petitions containing 68,582 names of people from Calgary in particular, and from all across Canada, who want to retain the uniformity of the RCMP dress uniform.

These petitioners say that the RCMP has a long and honourable tradition known and admired around the world. They are not discriminating, Mr. Speaker. These petitioners humbly pray and call upon Parliament to preserve the distinctive heritage and tradition of the RCMP by retaining the uniformity of the dress code with all the recognized colour and trappings that have such great historical value for our country.

All these petitions have been certified.

EXTRADITION

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, I have a group of petitions containing 5,895 names from people of the area of Calgary southwest. These petitioners call upon the government of Canada to revise its extradition laws. I am pleased to join with these people who humbly pray and call upon Parliament to revise the laws of Canada relating to extradition to allow the Minister of Justice of Canada to order the extradition of alleged or convicted criminals at any time after their apprehension in Canada, even during their period of incarceration, for crimes committed in another country.

VIA RAIL

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to present a petition on the great concern of people from the Vancouver region and my riding of Vancouver East, people who today will be appalled at the announcement regarding VIA Rail, and who call on Parliament to maintain the VIA network and to upgrade VIA Rail rather than cutting it.

PROPOSED GOODS AND SERVICES TAX

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I have the honour to lay these petitions before the House today on behalf of the residents of southwestern Ontario and my own constituency in particular. These petitioners humbly pray and call upon Parliament to reject the proposed goods and services tax and to provide a remedy.

NATIONAL ARTS CENTRE ORCHESTRA

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, under Standing Order 36 I rise to present the concerns of many Canadians about the present crisis in the negotiations of the National Arts Centre with the National Arts Centre orchestra, some of it because the Centre has been held at zero budget growth for five years. On this its twentieth anniversary these petitioners would ask for a demonstration of good faith by an immediate return to the bargaining table, a call which I hope the government will do this day while wishing the National Arts Centre a happy twentieth anniversary.

VIA RAIL

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have the privilege this afternoon to table a petition from the required number of signators from Belleville, Ontario. These signatures were gained while we were travelling on VIA Rail. They pray that this government will rescind its orders regarding the closures of VIA Rail.

PROPOSED GOODS AND SERVICES TAX

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, I am pleased to present a petition signed by a large number of my constituents from Cardigan, P.E.I. My constituents call upon this Parliament to reject the goods and services tax. This is a hidden tax. My constituents believe this will be unfair and disastrous to the economy of Prince Edward Island.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I am tabling before you today a petition against the goods and services tax. There are people from my riding of Sudbury who are asking that they be heard by this government. They are extremely anxious that this government go back to the drawing board and come back with a fair and equitable tax.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, it is my privilege to present a sixteen-page edition—

[*English*]

—from Canadian citizens from various municipalities against the proposed goods and services tax. This particular tax will be damaging to small businesses because of its complicated tax system. It will also be hurting the economy by reducing the purchasing power of Canadian citizens by the percentage points presented by the government.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I have the honour and duty pursuant to Standing Order 36 to present to the House a petition signed by some 83 constituents in the riding of Hamilton West who humbly pray and call upon Parliament to reject the proposed goods and services tax.

MILITARY EXPORTS

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I also have the duty, pursuant to Standing Order 36, to present to the House a petition signed by 25 members of local churches, including the Westhill United Church in the riding of Hamilton West. The petition calls upon the government to provide full disclosure of Canadian military exports including the type, producers and vendors, purchaser and transporter, as well as the immediate and final destinations of the military exports to be printed in register form and available to the Canadian public upon request.

PROPOSED GOODS AND SERVICES TAX

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise pursuant to Standing Order 36 to present five petitions with a total of 150 signatures of Canadians who strongly oppose the goods and services tax. They feel it is an unprecedented tax grab from the pockets of Canadians and will hit people not only hard but it will result in higher taxes, higher inflation, higher interest rates and higher unemployment.

These petitions have been duly certified by the clerk and these people humbly pray and call upon Parliament to reject the proposed goods and services tax.

VIA RAIL

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I rise today to present a petition from constituents in the city of Peterborough, some 639 names, who are calling upon the government to rescind the decisions that it has announced this morning in regard to VIA Rail.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I have the honour and the privilege to present, pursuant to Standing Order 36, a petition signed by 5,400 of my constituents in the riding of Northumberland. They object to the government's proposed cut-backs to VIA Rail and, with the announcements today, suggest that the government should put a moratorium on all its proposed cut-backs. The petitioners have a concern that this government, which seems to be on the fast track to oblivion, is going to leave them on January 19, 1990, to freeze to death on the railway platforms in Trenton, Cobourg and Port Hope in my riding.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, pursuant to Standing Order 36, I wish to table 93 petitions, duly signed and certified, containing 2,808 signatures in all from people in the riding of Hull—Aylmer and the Outaouais region who are opposed to the imposition of a tax on sales of goods and services and who ask the Government to withdraw this tax.

• (1530)

[*English*]

LOW LEVEL FLIGHTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I rise in accordance with Standing Order 36 to present a petition signed by a number of residents of Toronto calling upon Parliament to join with the Innu of Labrador in demanding that the Canadian government end all the NORAD-NATO low-level flight training in Canada, oppose establishment of a NATO operation in Canada, including the tactical fighter and reference training centre proposed for Goose Bay and redirect Canada's NATO-NORAD funding toward enabling Canada's aboriginal peoples to regain control of their lands and their livelihood in promoting sustainable development for all Canadians.

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have the honour and duty to table petitions signed by 74 residents of the community of Atikokan, a northwestern Ontario community that lost its rail passenger services some 10 years ago. They are concerned now that their neighbours in Thunder Bay, Dryden, Ignace, Nipigon, Red Rock, Terrace Bay, Schreiber all of the communities along the Canadian route will join them in having lost their transportation services and options.

The undersigned call upon Parliament to maintain VIA Rail, Canada's present national network, to upgrade VIA Rail with new equipment and to give VIA Rail a sufficient budget to maintain its national mandate for passenger services.

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all questions be allowed to stand today.

Mr. Speaker: Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, would you be so kind as to call notice of motion for the production of papers No. P-15 in the name of the hon. member for Burnaby—Kingsway?

Motion No. P-15

That an Humble Address be presented to Her Excellency praying that she will cause to be laid before this House copies of all documents and proposals considered and accepted at the Paris Meeting on the Human Dimension of the Conference on Security and Cooperation in Europe, from May to June 23, 1989.

Mr. Cooper: The motion proposed by the hon. member is unacceptable for the following reasons: No. 1, the CSCE is an intergovernmental process which always operates under the procedural rules of consensus; No. 2, lacking a formal consensus on the part of all 35 CSCE countries to do so, the Canadian government is not in a position to release the formal proposal submitted at meetings such as the Paris meeting on the human dimension.

I would therefore ask the member to withdraw his motion.

Mr. Robinson: Transfer for debate.

Mr. Speaker: Transferred for debate.

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MOTION TO ADJOURN UNDER S. O. 52

GOVERNMENT ACTION RESPECTING VIA RAIL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, pursuant to Standing Order 52, I ask leave, through you, to propose a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration; namely the drastic cuts of passenger rail services by VIA Rail announced today by the Minister of Transport which will impose severe hardships on Canadians, especially those who are least able to find affordable alternatives.

Mr. Speaker: First of all, so that it is clearly understood what we are doing here, under the orders which govern us, it is the right of members to rise and to ask for an emergency debate. The rules governing whether that should be accepted are well known to hon. members.

The matter that has been raised by the Right Hon. Leader of the Opposition is a very serious matter and has engaged this House for a number of days and again today. It may well engage the time of the House in the future.

I have given very careful consideration to the application which I received earlier this morning. I repeat, the matter is of great importance. It is very much the subject of discussion in the country and debate in the House. I find that at least for now it does not meet the criteria of the order. However, I reiterate it is a matter of national importance.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

The House resumed from Tuesday, October 3, consideration of the motion of Mr. Mazankowski that Bill C-36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee; and the amendment of Mr. Foster:

That Bill C-36, an Act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act be not now read a second time but that it be read a second time this day six months hence.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, these are tough times down on the farm and tough times in rural Canada.

The entire Question Period this afternoon was devoted to VIA Rail cuts, which will be another severe blow to rural Canada. It seems that this government wants to shut down rural Canada. Of course, the matter at hand, this bill that we are considering, is another blow, particularly to farmers in the country. They have used the cash advance system for more than 30 years. They have found it to be of good use, particularly when they could use cash advances on an interest free basis. If this bill goes through, they will lose the ability to use cash advances on an interest free basis. They will have to pay interest.

When I was speaking on the bill yesterday, I read into the parliamentary record a statement that was released a few days ago by the Canadian Federation of Agriculture, which is opposed to this bill and wants the cash advance system to continue, but with interest free cash payments. I want to complete the reading of the statement into the parliamentary record:

> The Advance Payments for Crops Act serves to shift sales out of the immediate post harvest season thereby reducing the extent of export sales in autumn and shortage induced imports during later months. It also reduces downward price pressure in the domestic market in the immediate post harvest season.

This is a well known agricultural organization and it should be listened to.

Another important farm group that is opposed to this bill is the National Farmers Union. The NFU, in a statement the other day, said this, and again I quote:

> The Prairie Grain Advance Payments Program has for thirty years relieved grain producers from prolonged financial pressures in circumstances where poor delivery opportunities prevailed.
>
> The fact that the advances were interest free was, of course, the most attractive feature of the program. It enabled producers to save on interest costs by meeting debt obligations to creditors earlier than might otherwise be the case.

That is another important farm organization that is opposed to this government initiative.

Ordinary farmers have become involved in this debate. In fact, just yesterday my colleague from Lambton—Middlesex received a long distance phone call from a farmer in Weyburn, Saskatchewan, who was deeply concerned about the withdrawal of cash payments on an interest free basis. It shows how concerned farmers are that they will make long distance phone calls to MPs here in the nation's capital.

Other politicians in other provinces, of course, are concerned about this government move as well. In fact, the agriculture minister in my home province of Manitoba, the Hon. Mr. Findlay, issued a statement the other day expressing concern about this bill. Let me quote one paragraph from his statement. Of course, we must remind the country that the agriculture minister in the province of Manitoba is a Progressive Conservative so he shares the party of members opposite. He said, relating to this bill:

> As farmers requirements for cash advances are most critical during the first half of the crop year, I am requesting that Mr. Mazankowski give serious consideration to cash advances being interest free until January 31 of each year.

Those are some of the core arguments against this bill which is ill advised and should be withdrawn so that the government can enter into consultations with farm groups right across the country and get some advice on how it should proceed. What the farmers are saying, loud and clear, is that they want the cash advances to continue interest free.

Yesterday, when I was speaking on this bill, I said that I had been talking to a farmer friend and he could not understand what was in the government's mind, what was on its agenda. He found the government's performance very curious and confusing. He asked what this initiative is all about, whether it is part of a larger philosophy, part of some over-all program. That question was partly answered by the Deputy Prime Minister yesterday who said that this measure is an effort on the part of government to have Canadian farmers make their contribution to deficit reduction.

• (1540)

I really find that insulting. Farmers in this country do not need to be told what they have to do. I find that kind of statement condescending and insulting. Farmers have been asked over and over again to do their share. If there is any group of people in this country who do their fair share, it is the farmers. It seems that this government is bent on shutting down rural Canada. It is not just this bill that concerns me and the people of Canada, particularly farmers. There is a whole host of things going on in rural Canada. For example, there is the closing of post offices. It seems that almost every other week there is a post office somewhere in this country that is closed. Then, of course, there is VIA Rail. Today we got the announcement that 51 per cent of it is going to be shut down. I think most Canadians believe that if VIA Rail is cut in half, that will be the end of it. Pretty soon there will not be any more VIA Rail.

Continuing along with this program of shutting down rural Canada by the government, we saw as a result of the budget this spring the government wanting to close a number of military bases that are important to rural Canada, bases like Portage la Prairie in my province, Port Hardy in British Columbia and Summerside in Prince Edward Island.

Another blow to rural Canada is the reduction in regional development programs. There have been a number of cuts in regional development programs and that has been a blow to rural Canada. There have been cut-backs in the crop insurance program. That was alluded to in one of my colleagues' statements in the House yesterday. This is another blow that has to be sustained by the farmers of Canada.

When you come right down to it, the government is just killing rural Canada. If we have to live with this government much longer, there will be nothing left of rural Canada. These kinds of vicious attacks on rural Canada have to come to a stop, and the sooner the better.

The Deputy Prime Minister yesterday indicated that there is some kind of emergency with respect to this bill. He wants us to ram it through as quickly as possible because he wants to reinstitute the program so that farmers can have cash advances. They will get the cash advances if this bill goes through but not interest free. They will have to pay interest.

Who brought on the emergency? First of all, the farmers did not ask for a suspension of this program precipitously and without any kind of notice. The program was suspended. It was put into limbo by provisions of the budget last spring. The farmers have been left with this hanging over their heads all through the latter part of the spring, right through the summer and now it is fall. Winter is coming. The grain is in the bin. Farmers have to pay bills and still this government dithers.

The government complains about getting this done. It has to get this bill through as though there were an emergency. Who caused it? It certainly was not the farmers of Canada. It certainly was not the members on this side of the House. It was those people over there. They have to take the blame for this. They have to take the responsibility.

I would say in my few closing moments that this program has to be rethought. It has to be reviewed. It is quite apparent that the government did this without consultation and without sitting down with the farm organizations and asking them what is best for farmers. If they had done that, the farmers of Canada would have told them to leave it alone, that it is a good program. It has been in place for 30 years, don't touch it. If you want to save money and fight the deficit, you have all kinds of areas where you can go. You do not have to kill a program that has been serving the farm community well and serving the entire country.

My plea is to have this bill withdrawn and redrafted. Go back to the drafting boards and come back with something that makes sense, something that is going to help farmers and the agricultural community and ultimately all Canadians and the country.

Mrs. Finestone: Mr. Speaker, I want to thank my hon. colleague for the very interesting speech which I listened to the other day. I continue to hear today that farmers are subject once again to the government's short-sighted view.

I would ask my hon. colleague if he feels that this government has said that basically there are no sacred cows in our society, everything is subject to meeting the yardstick of profit. Bottom line budgeting is the important goal. The links that bind us in such a unique way in this country that has a physical geography that is different than any other place in the world is not taken into consideration. Now out goes the infrastructure of a good VIA Rail transportation system. Out went Air Canada and Teleglobe to the private sector. Now you are talking about this new move with respect to the farmers. In my colleague's view, is this Tory view that the only sacred trust left is bottom line profit one that is shared by the farmers that he spoke to.

Mr. Harvard: Mr. Speaker, I want to thank my hon. friend because I think her questions reflect that she knows exactly what this government is doing. The fact is that there is nothing sacred in this country. There is nothing sacred about Canada in so far as this government is concerned. It wants to carry out a kind of revolution without consulting Canadians. Conservatives did not say in the election campaign that they were going to shut down half of VIA Rail, and we all know that if we shut half of it down the rest of it will wither away very quickly. Not only are they interested in only the so-called bottom line but they seem to be hell-bent on developing the great American model for this country.

I can tell you, Mr. Speaker, the American model will not work for Canada. It may work for the Americans. If it works for them, leave it for them, but it will not work here. It is not going to work to destroy subsidies in this country. It is not going to work to destroy VIA Rail. It is not going to work to privatize the post office. You can go on and on. The government is on the wrong track and some day soon even it will understand it. I am hoping that it will not be too late because if it continues much longer, there will be nothing left of this country.

Mr. Ferguson: Mr. Speaker, I would like to commend my colleague on an excellent address in the House of Commons. I am sorry there were not more Tory Members of Parliament from the west to hear this.

I have a press clipping saying that the Keystone Producers of the province of Manitoba wrote to the Prime Minister on September 15 demanding that this government keep this program in place so that the farmers are able to obtain their interest free cash advances on grains in storage. I also have a letter from the Manitoba Corn Producers Association asking the same thing. They say that the program has always been an excellent method of increasing the orderly marketing of corn in Manitoba and prevents any dumping of corn in the fall thereby having shortages of this commodity in the spring. It is only in recent years that corn has been developed as a cash crop and a crop alternative for Manitoba. I would like to ask my colleague what in his opinion the impact of the withdrawal of these interest free loans will be to the producers in Manitoba.

• (1550)

Mr. Harvard: Mr. Speaker, the impact is going to be a very negative one. The Conservatives across the way do not have to take my word for it. In fact, they do not even have to take the word of any of us on this side of the House. All they have to do is listen to farmers and farm organizations.

It was pointed out very forcefully in this House just yesterday that 19 producer organizations met in Winnipeg and decided to make a plea to the Prime Minister to put a stop to this, to continue the advance payments interest free. When my hon. friend from Lambton—Middlesex asks what kind of impact it is going to have, I cannot think of better testimony and a better answer than the one that comes from the producer organizations. They are in the front lines. They are at ground level. They know exactly what is going to happen. They know the impact and they say the impact is going to be horrific. It is going to be terrible. It is not in the interests of the farm community. In fact, one of the ministers is sitting over there right now, and I think all he has to do is consult some of his friends in the provincial government of Manitoba. The agriculture minister there has said it is not in the interests of the farm community. It is not in the interests of Canada to discontinue this program. If they would only listen, they would know that the impact of this bill is going to be very, very negative.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I rise to speak on this bill. I guess I am like many people in Canada and probably in the House of Commons. If you scratch me very hard, you will find a farmer, and if not, at least a farmer's son, and I guess I fall into that category.

My grandfather farmed in the Eastern Townships in Quebec, moved to Alberta and farmed a very prosperous farm in central Alberta near Camrose. The farm was then run by my uncle and now it is run by my cousin. The next generation has already purchased the farm next to him so that the Nodan farm in Duhamel is growing.

I think that is typical of Canadians. Nearly all of us come from farm families and therefore we continue to have an interest in the viability of agriculture, not only because it is one of our major economic bases but because we have friends, relatives and families who are dependent on the viability of agriculture.

I am a little bit bewildered by this bill because what I have learned about the introduction of legislation and programs by the Conservatives since I have been here is that they take a problem and they make it worse. Certainly in the areas I am most familiar with, social services and affordable housing, they do everything they can to take a problem and see if they can make it into a total and utter mess, with high interest rates and cut-backs in services. Here is one area where there appeared to be no problem, so I thought at least they would leave it alone. They have followed their rule that if there is a problem they intervene and make it worse, and now they are starting to say that if there is no problem, they still intervene and create a problem.

In talking with my cousin and his wife, because now in agriculture farmers farm as couples, I have learned that being a farmer now is much more complex than it was when I grew up and used to go to my grandfather's farm and then my uncle's farm. A farmer now has to be many, many things.

First, he has to be an agriculturalist. There are new crops that he must keep up with, new pesticides, new weed control, new methods of farming. It is no longer the simple thing it used to be 50 years ago in Canada when you knew what crops you were going to plant, what you were going to do in the spring and the fall. Now you have to look at new agricultural methods.

Most of the more successful farmers have gone to agricultural college or use very heavily the services of Agriculture Canada to keep them up to date as agriculturalists. Farmers also have to be mechanics and equipment operators. No longer is the equipment simple.

I can remember assisting my uncle with the old traditional John Deere tractor. Heck, even I could be a John Deere tractor mechanic. Now, in talking with my cousin, I find that you have a $75,000 or $100,000 machine that is very, very complex, that has computer controlled parts. It takes a skilled equipment operator to run it and a great deal of skill to maintain it.

The farms, if they are to be viable, have machine shops that are the envy of the old traditional machine shops in small towns. This is increasingly necessary as the small towns are disappearing. On my grandfather's farm, it used to be that between that farm and Camrose there were three small towns. Now there is nothing. If there is a breakdown, you either have to be able to repair your equipment yourself or be prepared to go all the way to Camrose, Wetaskiwin or one of the other major centres to have equipment repaired. Farmers just cannot do that. In addition to being an agriculturalist, you must also be a mechanic and an equipment operator.

Most important, both Doug and Irma tell me that they have to be business people. Running farms is now a complicated business. They must deal with complicated issues like cash flow, debt, debt ratio and advance payments. They must have lines of credit. It has become a complex business enterprise.

One reason the big corporate farms are too frequently taking over is because they have the business expertise. Too often in Canada we have seen the family farm disappear, not because the family farmer is not a good agriculturalist or a good machinist, but because he does not have the skills and the background in the business area.

This is what this bill is all about. This bill amends a piece of legislation that has allowed farmers to act as business people and to be able to deal with problems of debt and cash flow which are the major things that have got people into difficulty.

The government has said that there is an urgency to get this bill passed. I think it has already been mentioned that the urgency is of its own creation. There was a piece of legislation in place with which everybody was quite happy. It has been suspended and now there is an urgency to get this new piece of legislation through. It is true that farmers are now in a position where they are unable to get loans.

This bill simply has the net effect of doing away with the advance payments for crops, because if you can borrow and you have to pay interest, you have a line of credit at the bank and the bank will do it. It simply privatizes the whole exercise. It takes the government out of making the business part of farms economical in the sense that you are now a part of the total free market. If your line of credit is good at the bank, so be it. If your line of credit is a little shaky, maybe you will not get moneys advanced and then you are in the position where you cannot go ahead and put in your crops or do the necessary things to make your farm profitable. We have the government saying that there is an urgency while the farmers are saying, "Listen, the only urgency is that you created a problem".

• (1600)

One of the other things that I think is very significant in looking at the whole question of debt is that in 1971 there was about $11 billion owed by farmers in Canada. This figure was up to $18 billion as of 1986, which is a dramatic increase of 61 per cent. One has to remember that this was in a period when farms were viable economically. It was in one of our better periods for farms. We are now in a situation where there are problems with the financial viability of our farms.

Again, in 1987, the Senate report said that of the 22,500 farmers who borrowed money, there was a full 12 per cent who were in financial difficulty. In British Columbia, my home province, nearly one in 12 farmers who were borrowing were in financial difficulty. So it makes a vital difference to the business operation of the farm as to whether you are borrowing interest free, or whether you are borrowing an advance on your crops, non–interest free.

At least the Conservatives can take credit for this bill hitting every region of Canada equally. It is devastating to the corn and soybean producers in Ontario, to the market gardeners in Quebec, to the grain farmers on the prairies and certainly to farmers in British Columbia, including farmers in Surrey North.

I am delighted to be able to tell people that although my riding is considered an urban riding, it has a big agricultural finger to it that includes a lot of what we consider market gardening. boards; the B.C. Coast Vegetable Growers Co-op, The Island Vegetable Growers Co-op and the Interior Vegetable Growers Co-op. All of these boards are saying the same type of thing, that this bill not only distracts from the financial viability of the farms, but it is hurting the marketing system.

In Ontario it is going to force farmers to deliver their corn or soybeans as early as possible in order to get cash flow. If deliveries can be spread out over different periods of time, particularly in the spring, there would not be shortages.

In the prairies the whole marketing system has become very complex. I grew up in many little prairie towns around Calgary. Most of those prairie towns do not now exist. We had 100 people at a family reunion on my grandfather's farm two summers ago and the last elevator was being boarded up at Duhamel. What the whole town has stood for since the turn of the century has basically gone. A lot of it has to do with the grain marketing system. It has been consolidated into larger centres. The number of storage facilities on farms has increased dramatically.

One of the things I should have mentioned is that the farmer, at least on the prairies, not only has to be an agriculturalist, a machinist and a business person, he has to be an elevator operator.

Marketing is very important. The marketing system can only accommodate 40 per cent of the crops. There has to be some mechanism where the storage and the delivery is evened out over a longer period of time. There has been an attempt to encourage the marketing so that there is less and less grain put into large storage facilities, but it is brought to the elevators and marketed when the transportation systems can accommodate it. The whole marketing and movement of agricultural products has become a very complex system in Canada.

The farm and marketing organizations say that one of the spin-offs in this bill is that it is going to make it that much more difficult to maintain the orderly marketing of farm products, and not only for grains. The same thing is true in vegetables. People are going to be forced, in order to get cash, to deliver to markets at an inopportune time.

The funny thing about this bill which I have also mentioned, is that it follows the Conservative tradition of, "If it is broken, make it worse; if it is not broken, let's create a problem". But also it follows the Tory tradition that nearly all of the Tories are opposed to it.

At Conservative meetings farmer after farmer and person after person representing organizations stood up and clearly denounced this measure. Yet what seems to happen is that the style of government that is being developed in Canada is, if it is not a problem, let's make a problem; if the government's actions are opposed by the Canadian public, by the people affected, and by the bulk of the people within the Tory party, that only makes it that much more gung-ho to go ahead. I just do not understand it.

I and the New Democratic Party are opposed to this, and we are opposed to it for three or four fundamental reasons. One, it makes the family farm less viable. We want to protect a way of life in Canada that allows families to stay on their farms. That is what has built this country, and made it unique. We do not want to get into a situation where the only people who can manage farms are the big financial corporate farms. It hurts the family farms. It hurts the consumers because it interrupts the marketing, whether those consumers be from marketing boards for farm vegetables or are international consumers. In our grains, which is a major part of our export trade, we are disrupting the consumer pattern and it hurts the smooth marketing of farm products.

Finally, it does nothing of any substance toward the reduction of the debt. It is laughable. What is the saving, $27 million or $28 million? If the government would drop the interest rate one percentage point, it would save ten times that amount. This is absolutely ridiculous. We are creating havoc within a vital sector of our economy to save an amount of money that is almost insignificant.

I notice the Speaker is signalling time. I will close with this final comment. I urge the government to reconsider this bill. Family farms have built Canada. I hope that you are not the people that destroy them.

Mr. Crawford: Mr. Speaker, I would like to ask the hon. member for clarification. He mentioned vegetables, especially pertaining to red beets, carrots and tomatoes. Would he please clarify the advance payments and the interest paid on those crops?

• (1610)

Mr. Karpoff: I am afraid I cannot give details as to what the advance payments were on specific crops such as beans. I know that in British Columbia, with the vegetable marketing co-ops, the advance payment is a significant part of the cash flow. In dollar terms I know that the total amount of borrowing is $11 billion, but in terms of the total borrowings with the bill the amount went from about $35 million in 1957-58 to $330 million in 1980-81, and up to $563 million in the last crop year. I do not have before me the breakdown by agricultural section.

I know that in all of the various farming communities it is not the total amount, it is what it means to the individual farmer. Whether a very, very large farmer borrows $10,000 or $20,000 with interest or interest free is insignificant. But to a lot of our family farmers the ability to borrow $30,000 interest free is of exceptional significance.

So while I cannot give details by agricultural section as to the amounts of the advances, I know that individual farmers, whether they be a market gardener, a farmer in Ontario growing grain or corn, or a farmer in Alberta, the ability to borrow money plays a significant part in his ability to keep operating.

Mr. Harvard: Mr. Speaker, there are a lot of us in this country who see a disturbing pattern, and this particular bill, we believe, is a part of that pattern. The pattern that we see shutdowns at VIA Rail, the shutdown of post offices, cuts in the crop insurance program, cuts in regional development, and we could go on and on. There is this disturbing pattern.

The previous speaker alluded to the supply management system that we have in this country. I think he is concerned that the Conservative government will ultimately cripple the supply management system. I happen to believe that it is in peril because of government policy.

But there is something else, and this is the question I have for my hon. friend for British Columbia. I sort of smell a rat and I smell it from the point of view of the free trade agreement. The free trade agreement reminds one of harmonization and the level playing field, those types of things. Why would the government deliberately get rid of this program, at least the interest free portion of it which is a subsidy of a kind? It is not very expensive, only about $27 million. Why would the government eliminate this particular feature of the program just before it begins some serious subsidy negotiations with the Americans? I would like to ask my hon. friend whether he sees a pattern there with respect to the FTA.

Mr. Karpoff: I think that there is no doubt that the free trade agreement permeates every move that the government makes. And yes, there are concerns that the free trade agreement, directly and indirectly, is going to attack our marketing boards and our management systems. I do not understand why at this time but the information I have American program to reduce or offset their equivalents in the 1989-90 year.

It seems that not only are we saying to the Americans that we will give them a level playing field but, if necessary because of the free trade agreement, we will give them more than a level playing field, we will give them an advantage. I think that that is what will seriously hurt us in the long run in Canada.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I want to comment on this bill and in particular to try to enlighten the Minister of Employment and Immigration, although it is virtually an impossible task to undertake, but I am always prepared to try for miracles, particularly for someone who is totally and completely abysmally ignorant about what is taking place in western Canada and conditions that pertain there.

Nevertheless, the House of Commons is a place where one must valiantly try his best to open up the closed minds that have been so dominant opposite. I think we all have read in our textbooks at one time or another about Chinese water torture, where drip by drip you wear down resistance, drip by drip you wear down the opposition to the point where they yell "surrender".

That is a proper metaphor for what this government is doing to the agricultural community of Canada. Day by day, drip by drip, program by program, the agricultural community of this country is feeling the heavy hand of this government as it attempts to fundamentally restructure and reorganize the element of agriculture that has been built up over the last 100 years in this country. It is a design. One has to acknowledge that there is a certain implicit, if not nefarious agenda behind all these actions. It is simply to turn over agriculture to the corporate community of Canada, the big agri-farm system, to ensure that those who have given their support to the trade agreement and provided the contributions to their treasuries will find some satisfaction. The people who they can dine out with, who put on the tuxedos and get the high-priced tickets for the big dinners are the people who their agriculture policy is designed to meet.

We have seen, over the last couple of years, a whole series of decisions. Of course, this bill in itself represents perhaps one of the clearest examples of a direct attack specifically on the family farm itself.

It is an attack specifically on those smaller farmers who for years have been able to rely upon a combination of crops and activities but who need a cash flow, some sense of certitude there would be a cash flow so that they can do the bridge financing necessary to buy the seed and prepare the ground and to do all the necessary development for the next crop year. That is what the advance cash payments have provided. Year after year they provided a level of stability, a level of certainty and a level of planning into the food cycle.

I agree that the big corporate farm friends of the minister of grains and oilseeds do not need that. They have their own corporate reserves and their treasuries. The advance cash payments are not something that is essential to them, so of course, the immediate conclusion is to get rid of them. Why have a program that does not suit our friends, they say. Why do something that has its own social and economic implications but is not part of our universe, is not part of our little clique?

We have a government that does not govern for most Canadians. It governs for a small elite and the rest of us are abandoned. The rest are exiles in this country. They are simply part of a large, forgotten majority who does not feel that they have access to or any contact with the national Government of Canada.

One can imagine the dyspepsia in the stomachs of the ministers opposite because they realize all of a sudden that what they have been trying to do piece by piece in covert fashion is finally being exposed. Finally we are beginning to see that there is a master plan and that is to totally revolutionize and radicalize the system of agriculture in this country and that they are using a whole variety of instruments to achieve it. This bill is only one instrument, I would suggest to you,

• (1620)

I draw to your attention a series of developments that have taken place; the substantial increase in the grain freight rates, the cancellation of grain shipments to Churchill, the way in which it has niggardly provided a drought assistance program to the point where many farmers have yet to receive it or received only partial payments, the pull-out of certain stabilization programs and, one that I deal with on a day by day basis, the enormous problems being faced in the area of trade.

Agriculture in this country is an export market. As a country we have taken some real pride in that. Our agriculture has led export markets and has made fortunes for this country over the years for everybody, city dweller and farm dweller alike.

That is perhaps the area which has proven to be most vulnerable, most under attack, most susceptible to the kind of wrenching that is taking place. Look what happened. The minister of grains and oilseeds could not wait for the ink to dry on the free trade agreement before he blew out the Wheat Board on its responsibility for oats. The haste with which he did it was not even polite. It was not even a polite burial. He could hardly contain his glee when he ran off to immediately undermine the responsibility of the Wheat Board in that crucial area.

Then, of course, we have what I think stands as one of the great big lies of our time. I have sat in the House now since we have opened and listened to the Minister of Agriculture and the minister of grains and oilseeds saying—and I applaud their theatrics—with a straight face, with the solemnity of a Baptist preacher, that when it comes to the decision on GATT dealing with yogurt and ice cream it has nothing to do with free trade.

Somehow they have convinced themselves, or are certainly trying to convince Canadians, that it has nothing to do with free trade. And yet I went back into *Hansard*, a useful record for Canadians to recognize, and I can quote to you the statements made by the former minister of agriculture, since retired. out and retire. He stood up in the House and said: "Now I recognize and I realize that taking the tariffs off these agricultural products will create a real threat to the marketing system". He said: "However, I have a solution for you, a solution that is airtight, guaranteed. We will put import controls on these products".

The former minister of agriculture fully recognized that the free trade agreement, by bringing to zero the tariff level for a wide range of imports, was going to put under real attack the market supply system and particularly the dairy industry. But he knew that he could probably get through the election, aided by that multimillion dollar propaganda campaign, the great lie that somehow import controls would protect dairy farmers across Canada, particularly in Quebec, Ontario and other places.

Well, certain members on this side challenged that and said that it just will not work that well. As is so often the case, the questions we raised have become the reality and the truth of today. The fact of the matter is that they knew it would never work. They knew it was a placebo. They knew it was a subterfuge all the time. But rather than simply admitting what a dangerous, serious threat it raises to the entire supply and management system of Canada, they are now saying, "Oh, the GATT made me do it", somehow ignoring the fact that the free trade agreement was the catalyst, was the initiation, was the beginning of the process bringing the supply and management field to its destruction. What sophistry, what complete and total sophistry.

Of course, let us not stop there. I know that the Minister of Employment and Immigration is now leaving so she can go to the confessional booth and get off her conscience the sins that have been committed against the agricultural community of Canada. I would say a few Hail Marys more because there is more to come, Madam Minister.

Let us talk about the pork decision, another matter of uncertainty for the farmers. We heard in this House from 1984 to 1988 the former Minister of Agriculture and others say don't worry, and we had the Canadian pork producers out there on the barricades fighting for free trade. Why? Because they believed and were told that there would be no problem, they had guaranteed access to the U.S. market. They said that free trade gives you guaranteed access.

I can remember the Prime Minister coming to western Canada and saying that the farmers would have to support free trade because it is the only way that the government could guarantee against U.S. harassment, and the multitudes rose up and said "Hallelujah, we've been saved".

Except, like Jimmy Swaggart and all the other fraudulent evangelists who have been defrocked over the last year, so has the Prime Minister, and his great call for salvation for the Canadian farmer has once again been exposed as simply one more false promise.

He knew again that the Americans, while we were off negotiating the free trade agreement, were also running through Congress a new trade bill and that trade bill carried new measures that gave U.S. farmers even more protection, more right to harass us, and that those measures were going to be cemented in to the free trade agreement. But did the government caution the farm community, did it warn the farmers what was coming? Did it say, "Look folks, I'm sorry, but the American Congress is out passing a new piece of legislation. That legislation is going to give them the right to tackle all our subsidy programs, our stabilization programs so we are going to have to stop the negotiations for a moment and see how we can provide for better protection". No, it went ahead, and the government signed the deal in full knowledge that it was committing the crime of dishonesty against the Canadian farmer.

Now we have a pork decision that comes out and we hear all these great cries of alarm from ministers opposite that we must appeal to the GATT. Is it not remarkable, is it not incredible, that only a few short months ago the government was saying "We don't need the GATT. We are going to sign a free trade agreement, that will give us secure access"? Now it is saying "God, I hope GATT can save us". We know that under the free trade agreement the only basis upon which we can challenge U.S. decisions now is whether they fairly administered their own trade law. We have to give Americans credit. They are honest, they are fair, they are administering their own trade law as they see fit.

If that was not enough we come back to the latest row, U.S. fears Durum imports. Here is another little hooker in U.S. trade legislation that no one quite talked about, that the previous Minister of Agriculture or the Minister for International Trade did not quite get around to talking to our farm community about. That is that under the U.S. trade legislation, commodity groups, producer groups and industrial groups now have the right to petition the department of commerce when they see an export from Canada that they do not like. They can petition the U.S. commerce department to do their research for them, to do all the work for them. It is cost free harassment. Why would they not use it? Why would they not say "Well, I can carve out a bigger market for myself by pushing out Canadian exports and I can get the U.S. government to do the work for me. I do not have to pay anything, I just fill out a petition". Why would they not do it?

When we presented exactly the same case on the floor of this House when we debated the trade bill, our minister of trade said that we do not need it because we are going to defend our farmers.

The North Dakota Wheat Association is now taking a petition to the U.S. department of commerce to look at Canadian Durum imports. It is having all the research done for them. If our farm community is going to combat that it will have to raise a couple of million dollars to pay for those high priced Washington lawyers and lobbyists to make the case.

Is it any wonder that there is a great sense of disillusionment, one end of this country does not know where to turn.

I do not want to depress you further, Mr. Speaker, because I know you are deeply sensitive about these issues, but the fact of the matter is that it does not stop there either. As part of this new program, the new renascence for agriculture in Canada, we now have the Canadian delegation at Geneva tabling a new negotiating paper on agriculture subsidies. Let us put aside for a moment all the protestations of the Minister of Agriculture and the minister of trade that they are here to defend the Canadian farmer.

• (1630)

What they are negotiating as our senior officials at Geneva tabled is what they call a "tariffication program", which would lump together all of the subsidy programs and give it a tariff equivalent. Then they would negotiate how we can reduce that total bundle of tariff programs. The transportation subsidy programs, grain stabilization, drought assistance and advance cash payments programs—everything—are going to be put in the same bundle. A value is going to be attached to it, and then we are going to negotiate with all the other countries to bring those values down. What that means is that we put every single agricultural support program up for bargaining, up for negotiation.

I ask you, Mr. Speaker, is that an honest approach for the Canadian farmer? Is that what we are saying to them? I suppose, if you are one of those big agri-corporate farm organizations with multi-billion dollar markets around the world, that is not going to bother you too much. But if you are a farmer with a section or two in western Canada or in southwestern Ontario, growing some corn or with a dairy basis, it does bother you. All of a sudden you find out that you cannot pay your bills any more and that the kind of support program that you relied upon, like advance cash payments or grain transportation programs or whatever it may be, simply will not be there.

What do you tell your kids who want to keep on farming? What do you say to your son or your daughter? Do you say: "Stay in the farming business. It is a great opportunity"? Or, do you say: "Maybe you should become a chartered accountant so you can go to work for the government trying to figure out how the GST is going to really mess up the Canadian economy"? That is the biggest employment opportunity that Canadians will face. That is what we are going to tell them to do.

Mr. Harvard: Be a tax cop.

Mr. Axworthy (Winnipeg South Centre): Oh, sure. My friend from Winnipeg St. James says what we could probably do is hire all of those people who have to leave the farm to become tax policemen, or maybe go to work for the banks that are now foreclosing on the mortgages. We can have an army of people out there determining how they can wring further every seed from the lemon of a farm community in this country. That is the new Tory plan.

Once they get the prices down, once they get the farmers surrendering, once they get the sense of frustration and hopelessness on a high level, that is when they can move in and buy up those farms at cheap prices. That is when they can begin reorganizing and restructuring the land into a corporate system. All of a sudden, we will have a new system in this country.

Mr. Speaker, I simply put forward to you that that is not the only way it has to be done. There was a time in this country when agriculture was not simply measured by the cost accountant's calculations. One did not bring out the slide rule or the computer, as we witnessed today from the Minister of Transport. We believed that there was a certain sanctity in federal presence and programs providing a stability and underpinning to certain kinds of communities. We believed that one of the reasons for maintaining the concept of a family farm was because it was the keystone of a way of life, a keystone of smaller communities and towns and villages. That is what is disappearing from this country.

Let me talk about a relative of mine who is a school trustee just outside North Battleford. Sitting down over lunch with her just recently and talking about what it is like to be a school trustee in a rural township, the crucial, critical question was: How do you keep a science teacher in high school knowing that you are going to have to increase the mill rate by seven or eight points and farmers cannot pay it? Yet you know that if the science teacher goes, your own kids will not get the same level of education as they would in a town or the city. This is the anguish they go through to make that crucial choice of how to keep one science teacher in a small town. It becomes for them not a statistic. It is not a calculation that you run through Statistics Canada to obtain what makes sense. It is a human problem. It is a real problem. That decision, once made, means a disappearance of a way of life.

It is the same every time the government pulls out of a post office or says: "The train will not stop here any more" and reduces even further the federal presence and activity, a sense that there is a government that is trying at least to give some elementary sense of underpinning to those communities. They are going to give up. They are giving up. They are leaving the farms by the hundreds of thousands, because they no longer feel that there is any real hope out there.

This legislation that we are debating today is not simply an isolated action, drawn to try to reorganize or rationalize the farm program. It is one of the most sinister and direct attacks upon an important way of life and an important set of communities in this country. We are going to pay an enormous consequence for it.

How much longer this erosion or ravaging of the farm community can continue is hard to say. We do not know where it will stop and how it will continue. What we do know is that if legislation like this bill continues—and we are seeing more and more of it—there will be a further feeling of people being exiled in their own country, being abandoned by their own government and feeling that there is no longer a place for them to call themselves Canadians.

Mr. Mills: Mr. Speaker, I would like to thank my hon. colleague who spoke so eloquently and specifically about the situation that is happening to the family farm in Canada. In representing an urban riding there is one thing my colleague touched upon that many people in urban ridings understand, that is the sanctity of life when there is a family living and working on a farm—the caring, the approachability, the passion, and the integrity of these families. Many of us who live in the city are looking for ways to help preserve the family farm.

My question is: What specific advice can you give to the millions of Canadians who care about the family farm? What actions can those of us who live in cities take to make sure the care, attention and support a national government must give to the family farm are activated again?

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, it is a good question. It is one that has not been asked often enough by people who live in our urban areas. Too quickly we forget our roots. Most of us have migrated as my family did. My grandparents were farmers in Saskatchewan, one or two generations removed. We forget very quickly when we come to a city that we are not that far away and how much of our own well-being in the country is dependent upon the continued existence of a stable farm food system.

I think the first priority all Canadians must be asked to accept is that we must have a security of food supply. That is where I say to my hon. friend from Toronto that the interest of a downtown resident of Toronto is as crucial as it is for the farmer in North Battleford or in southwestern Ontario.

If we lose that sense of security that we can control and manage our own farm food supply, that we will not be dependent on other monopolies, we will lose not just on the price side but we will also lose something on the environmental side. We will be encouraging the ravaging of the forests of Latin America to provide beef or the incredible ravaging of the lands of southwestern United States which have been totally denuded because of the use of chemicals and pesticides. There is an integrated linkage or cycle that we all belong to.

When you pick up your corn wrapped in cellophane in a package in your supermarket, it is a decision that if you did it in a different way and were prepared to pay a proper price you would not listen to these savage prophets on the other side who say: "If we get rid of supply management we can have cheaper food". Yes, maybe this month, but try next year or the year after.

It must be recognized that right now in Canada we have one of the most bountiful breadbaskets in the world. We also have been very careful because of our tender ecology and our fragile environment to build into it a system that supports farmers against the cycles of world markets and bad climate. That is what we have to get people to accept. It may cost more in terms of pennies, but in the long run we will save thousands of dollars in terms of what it means to be Canadian.

* * *

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bills without amendment: Bill C–6, an act to amend the Radio Act and certain other acts in consequence thereof; Bill C–17, an act to amend the Customs Tariff; and Bill C–19, an act to amend the Canadian Exploration and Development Incentive Program Act.

THE ROYAL ASSENT

• (1640)

[*English*]

Mr. Deputy Speaker: Order. I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

October 4, 1989

Sir,

I have the honour to inform you that the Honourable Beverley McLachlin, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy Governor General, will proceed to the Senate chamber today, the 4th day of October, at 4.45 p.m., for the purpose of giving the Royal Assent to certain Bills.

Yours sincerely
Jean M. Sévigny
Deputy Secretary, Operations

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C–36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be read a second time and referred to a legislative committee; and the amendment of Mr. Foster (p. 4275).

Mr. Deputy Speaker: On questions or comments, the hon. member for Winnipeg St. James.

Mr. Harvard: Mr. Speaker, the remarks of the hon. member for Winnipeg South Centre touched a chord, because I can say unequivocally that all of us have a lot at stake when it comes to the farm community. It is not just farmers or the small towns but it is people like the hon. member next to me who comes from Toronto.

I grew up on a farm in southern Manitoba. I know what it is like to go through a harvest period, getting up at five o'clock in the morning, getting the machinery ready for the work on the land during the day, milking cows, going out and combining all day. If you did not have dew on the grass, if you did not have dew on the stubble, you could perhaps combine until midnight, one o'clock or two o'clock in the morning. We would get perhaps two or three hours of sleep so that we could get up early in the morning and go to work and repeat the cycle.

What I am getting at is that farmers do not do it just for fun or for just making a living. It is a lifestyle. They believe in it. They enjoy it. They want it to continue. It is this lifestyle that they are trying to continue to hold on to.

When they go out during the harvest period or during the spring planting, they work perhaps 16, 18 or 20 hours a day some days. They do not ask for over time. They do not ask for an extra stipend. They do it because they love to work on the land.

I have a question for the hon. member for Winnipeg South Centre. It has to do with eliminating the interest free portion of the advance cash payments system. It seems to me that the government is throwing away an advantage or throwing away something in the forthcoming subsidy negotiations. To me, this is a subsidy.

What the government seems to be doing is saying: "We will take off all the subsidies, all the assistance that we give to farmers, and then we will go to the bargaining table". To me, that is putting the cart before the horse. I would like the hon. member for Winnipeg South Centre to comment on that.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I suppose if you have watched this government negotiate in the last five years you would not be surprised. Everything is done backward. Somehow there seems to be a negotiating style which is that if I surrender right from the start everything I possibly have, maybe you will think me a nice person and therefore not tromp on me. It is a reverse style. It is not standing up, using the integrity of your own existing programs or defending them. It is simply looking at the agenda.

I would just like to provide members of the House with this advice. If they want to know what is next on the agenda, I refer them to the executive order that was passed by the U.S. President as part of the free trade deal. All the programs that the Americans identified as being unfair trade practices committed by Canada, left over from the free trade agreement, are the very things that this government is now eliminating: regional payments on unemployment insurance, grain stabilization and advance payments. It is all in the American document.

I simply say to you, Mr. Speaker, if we want to know what the negotiating style and agenda and blueprint for the Mulroney government is, we have to read what the U.S. President wrote a year ago.

Mr. Bellemare: Mr. Speaker, I would like to direct my question to the previous speaker. I chanced to sit on a municipal council for a short while. The mayor of the council was a dairy farmer. He used to take a great amount of time to explain to me about the farm since I was from the city and I knew very little about it. I paid great interest to what he was saying.

He suggested that, the way things are going, perhaps in 20 years from now the dairy farmers like other farmers will most likely lose their farms because of the policies that we see. We could become a country where the farms would be owned by huge international companies like Shell Oil, for example, and the Canadian farmers of today would be the workers on those farms and no longer the owners. More and more we would see the farms become extremely huge and, as I said, owned by these international companies. I wonder if the member would make a comment on that suggestion.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, the prognosis is correct. Unfortunately the time frame is much shorter. I wish that we had 20 years because it would mean that we could get rid of this government, bring in a proper government, and try to repair the damage they have done.

Mr. Cardiff: You had your chance.

Mr. Axworthy (Winnipeg South Centre): We did a good job for the dairy farmers in this country. What has happened is that because of the decision on ice cream and yogurt that was precipitated by signing the free trade deal, we are now faced with an immediate threat to the entire supply and market system of the dairy industry in Canada. That is not 20 years down the track; that is a month or two down the track. If that decision happens, then the structure of the dairy system that we have built up in this country will go into shambles. That is why time is of the essence.

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I am not sure if my comments are going to conflict with the visit from the Senate or not. If they do, I hope you will give me the balance of my time.

I am pleased to take this opportunity to speak in reference to one of Canada's primary industries, that of agriculture. I want to zero in specifically on this bill and perhaps do it from a slightly different angle than what we have been hearing. As you know the bill will become part of the APCA—and most farmers know what that means—in addition to the Prairie Grain Advance Payments Act.

I am particularly interested in the effect of the changes that this bill will impose on the industry and the fallout that it might have on the economy of the country. I am hearing great wails these days from the implement manufacturers and the implement distributors. There is just no business there these days, they tell me, because of the great uncertainties that exist in the industry.

The main purpose of the APCA was nothing more than a method of encouraging orderly marketing of goods. That staple arrangement was a good one. It is an excellent one. Most farmers appreciated it. The marketing program that we have now in place without any amendments has been very successful. It has put some order into the marketing of crops to the benefit of everyone.

If a producer can afford to put his crop on the market over a period of time, and that is what this bill would allow him to do if it is not changed, he can be assured of a better price. It is as simple as that. It is an old story. When there is a glut of produce on the market at harvest time the price goes down, naturally. But if the producer can store his product, keep it for a while, he can normally show, under normal conditions, a much better return on his investment. The present arrangement is a good one. It is an excellent arrangement.

It is not only good for the producer at harvest time; it is a good arrangement for consumers. It assures the consumer of a good supply of quality food year round. That is what it provides for.

• (1650)

I see some similarity in the way of orderly marketing that this provided for and the effect that it has on stabilizing the market with milk marketing boards. I think there is a tremendous similarity there. I just want to expand on that a bit.

The same good effects are realized with an orderly system of marketing dairy products. It supplies the consumer with an excellent source of supply year round at a good price.

I do not think anyone is determined to put the farmer out of business, even those on the other side of the House, but I really wonder sometimes if they have an appreciation of the dilemma that is starting to set in, in the industry, a dilemma brought about recently with a couple of decisions which they have been alluded to from all directions here this afternoon.

I will talk about those two recent decisions just for a second or two. Then I want to pursue, if I may, how I see the need to stabilize the agricultural industry and develop briefly the good effect that stabilization has on any industry, whether it be milk or produce of other grain or corn. A stable industry is the best industry for all concerned—the producer, the consumer and the processor.

The supply management marketing system which I think is under some degree of threat right now—and I know dairy farmers agree with me on that one—in the dairy industry like the APCA is just another way, a proven way, and the best way for all concerned. Again the supplier, consumer and processor—everybody was happy with that controlled marketing system. It was the envy of the world.

Let us examine, just for a minute—and I can remember these days—the system that existed in the dairy industry before we had an organized marketing board. Anyone who was ever close to a farm 35 or 40 years ago will have to agree with what I am going to say. You can recall perhaps the flow of milk hitting the market varied. It depended on many factors. Many of those factors were out of the control of the individual farmer. It depended on the season. It depended on the feed. It depended on the weather. Many things could affect the supply of milk that was on the market on a given day or in a given week. It was a terribly unsettling situation for anyone who wanted to make a career out of farming. It was just too risky.

Most of the factors that I have mentioned affecting supply were beyond the control of the individual farmer. Somebody had to come in. Somebody had to impose some system on to it to put some order into it, or no one would stay in the industry.

As a result, because of the flow, because of the highs and the lows, there was a tremendous instability in the market. There was too much of the product at one time, followed along weeks later where there was a shortage. You can imagine the way that the price would be following the supply. When there was an abundance on the market of course the price would drop. When there was a shortage on the market the price would go up. Can you imagine anybody in the industry trying to decide that they were going to expand their industry with that kind of fluctuation in the market? It was just impossible to do.

There was no control then on the market at all, reflecting those great swings in supply, followed by dramatic rises in price, immediately followed when the supply became plentiful again with a fall out of the bottom of the market. As a matter of fact, there were times when you could not even give away the product. You pour it on the ground because there was no thought at that time that a marketing board would ever work. But the Liberal Government made it work. I think it is a credit to the former Liberal government under Eugene Whelan that set marketing boards on a path that they could follow. I find, as the days go by, that we are picking at those processes. We are picking at them through this proposed legislation. One by one the farmers are starting to fall under the pressure.

Without an orderly marketing system the problems just feed on themselves. Without stability in price farmers could not plan ahead. They could not advance their operations because of the uncertainties in their industry with the result that many got out. The problem was that it was too risky for them and occasionally too many would get out. Then you had the reverse effect of a shortage of supply and you were on the roller coaster again.

This bill puts some stability into the market. It is not an expensive proposition if you are talking about dollars. I really question the motive behind the government in tampering with that when it was a relatively inexpensive source of revenue. It was interest free. But why keep the program at all if you are going to pay interest on it? I am sure most progressive farmers would say: "Well, we will go to the bank and borrow our money there".

The important thing in something as basic as food is that measures are needed to ensure a constant supply, a year-round constant supply of a good product at a good price. That is what this program was endeavouring to do. It would stabilize the market to allow a steady flow of produce into the market. This is so necessary when we are talking about something as basic as food. I do not think we should allow the basic supply of food to swing with the market, with the extremes that went with the market-place. It is just too important.

In stabilizing the market as it applies to the agricultural industry, whether it is grain or dairy product, it does not matter; the same support system is necessary and needed. It was appreciated by Canadian farmers. It is the best deal for all concerned.

To initiate programs where none exist now with this government seems to be a thing of the past. I am suggesting that the government could at least support the good programs that are in place. They are not expensive. I think everything possible should be done to see that they are protected because they have the effect of stabilizing a very important aspect in an industry in this country which is one of our basic programs.

That is what the program is designed to do. That is what it is all about. That is what it was doing. It does by making free interest loans available to farmers, allowing the farmer to release their crops onto the market in an orderly manner. Interest free loans allow farmers to do this. Otherwise, they would have to release their products onto the market as soon as they were harvested. We all know what the price would be at that point.

I am not sure if the processors and the multinationals would agree with me. I doubt very much if they would. They would like it very much if the cash strapped farmer would come with hat in hand, begging to sell his crops in a hurry because he is probably in the position where he has to get rid of his produce at bargain basement prices. You know the devastating effect that would have on the industry and on the individual farmer, even over a short period of time.

If the government could make some loan money available, the farmer would not be placed in that pressure situation where he must sell in order to stay afloat. That is what the concern of farmers has always been, the ability to stay afloat.

What I am asking for is that the government try to appreciate the dilemma in which some farmers will find themselves and the effect that this will have on the industry.

ROYAL ASSENT

[*Translation*]

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

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

• (1710)

[*English*]

And being returned:

Mr. Deputy Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-6, An Act to amend the Radio Act and certain other Acts in consequence thereof—Chapter No. 17.

Bill C-17, An Act to amend the Customs Tariff—Chapter No. 18.

Bill C-19, An Act to amend the Canadian Exploration and Development Incentive Program Act—Chapter No. 19.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-36, an Act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee; and the amendment of Mr. Foster (p.4275).

Mr. Deputy Speaker: Continuing debate with the Hon. Member for Leeds—Grenville.

Mr. Jordan: Mr. Speaker, I am not sure if the government appreciates the dilemma that the cutting out of this program, this ability to borrow money interest free, will put on farmers who are already very disillusioned about a couple of recent decisions.

They were given assurance through the free trade debate that ice cream, yogurt, and ice cream novelties as they are called were on the import control list so they were protected. That was a fallacy. The countervail on pork will come up again, I understand, on October 11. There is some sort of provision to have it appealed. We will see how they make out with that.

We must become more competitive internationally is the part that I take exception to when it comes to dealing with basic food supply. I can tell the members opposite that if they go toe to toe with the Americans in the dairy industry, they are going to lose. There is absolutely no question about that. I think it is significant that they appreciate that dilemma.

You do not need to go very far, about 10 or 12 hours drive from here, to see herds of cows which get milked three times a day. This was unheard of until recently. The cow is really a machine. They push feed through it and milk it. It is at the scale that Canadian farmers will not be able to compete with because things are largely out of their control. Good luck is a factor. It is great if you can get it consistently, but you cannot count on luck in the agricultural industry.

The only solution that I see for Canadian farmers is to get government assistance in developing government strategies to counteract that. That is the category in which I place this program. This is an excellent government strategy to counteract all the difficulties of trying to survive in the agricultural industry under our climatic conditions. Why then would you dispense with it? It is not, as I mentioned before, that expensive to maintain, and if it is going to keep some semblance of order in the agricultural community, why would you dispose of it?

We can support farmers by offering these programs which give them financial assistance until such time as they can market their products in an orderly fashion on an annual basis and hopefully be able to survive. Otherwise I see the multinationals moving in and buying the crops. They will buy the grain when it is harvested. Not because they need that grain or corn at that particular time, that is not the point. They are not buying it because there is a need for it and because they have an immediate market for it. They are buying it because they are opportunists and they are taking advantage of the farmer

who cannot weather it out because he is cash-strapped, and unless he is given some assistance he will soon be under. My plea to the government is that it try to appreciate the dilemma in which it is placing farmers in the climatic conditions under which farmers operate. The government must give the farmers some assistance and must not try to compete with the Americans in the dairy industry because I know who is going to lose.

If there is a program that is working these days, I think there is some moral obligation on the government to maintain that program. GATT said to put a freeze on some of these programs. GATT did not say to discontinue them. So I do not see any obligation on the part of the government to discontinue this program that is working. Leave it in place, support it, beef it up a little bit to help the farmer so he can survive.

Mr. McKnight: Mr. Speaker, I listened closely to the member from Leeds—Grenville as he spoke, and to other members from his Party. I even heard the member for Winnipeg South Centre talking about the way that this government had reacted to pressures under the Free Trade Agreement.

Even his Party and farm organizations that had not supported this government in its free trade discussions and expanding the market-place for all Canadian products through free trade recognize and support GATT. The instruments that we believe, including free trade and GATT to benefit both agriculture and other manufactured products in Canada are a very necessary mixture.

The rulings that were discussed were rulings made by GATT. But unlike the member who spoke before I do not want to speak about something that I do not know anything about. I only want to speak about the Prairie Grain Advance Payments Act as part of this bill.

The Liberal party, the Official Opposition, in assisting those farmers the Liberal member said needed assistance now, needed money now, has put forward a six-months' hoist as an amendment to delay the debate, to delay the implementation of this legislation that farmers want passed. That does not assist farmers. The Official Opposition has put forward a six-month delay when there are producers out there today who would like this bill passed tonight.

Mr. Fulton: Name one.

Mr. McKnight: The member from the New Democratic Party who comes from a wheat-producing area of northern British Columbia and the Queen Charlotte Islands wants me to name one. I can tell the hon. member that there are phone calls to the Department of Agriculture as well as phone calls to my office. I encourage every producer out there in western Canada to phone the Official Opposition, to phone those members of Parliament and tell them to stop this silliness of a six-month delay in legislation that will allow producers to receive cash advances at prime and in increased amounts, Mr. Speaker, from $30,000 to $250,000. What these members are putting forward is a delay in giving farmers an opportunity to receive cash advances on grain that they have produced.

• (1720)

The opposition is saying that this program will jeopardize orderly marketing. It will not jeopardize orderly marketing, because if people have an opportunity to receive a cash advance, then they are not forced into the open market. What the opposition is doing is forcing producers to go away from orderly marketing that we support in western Canada. They are saying, "Don't give them a cash advance. Delay it for six months". Then, Mr. Speaker, they will have to sell on the open market.

I ask the member this question. They will have an opportunity to receive increased amounts under the amendments, an opportunity for smaller producers, who, I am sure the member for the New Democratic Party knows, pay a larger interest. They have always said that the big guys get the breaks, the little guys don't. This allows a guarantee from the Government of Canada to the financial institutions, and they will be borrowing money as cheap or more cheaply than the large producers. Does he believe that that is good for small producers, or does he wish to force them into the open market system by not allowing this legislation to proceed for six months?

Mr. Jordan: Mr. Speaker, I am not sure if the member is trying to run out the clock, but it took him a long time to tell us that he obviously does not understand the amendment. The amendment wants to delay changing the present legislation, withhold the amendments, because the farmer is just now harvesting his crop. He started out his year at seed time with the expectations, I suspect, that he would have access to this interest free money. If this legislation goes through without amendment at this time, he will no longer have this access to industry money. We are saying at this side of the House, delay that until at least we get through this harvest year, the crops are sold and the money is made available and then put it up again for discussion.

Mr. Deputy Speaker: On debate, the hon. member for Skeena.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have an opportunity to speak on Bill C-36, and perhaps to educate the Minister of National Defence a little bit about the grain industry. One would have thought that someone from the Prairies would know something about the grain industry, but I suppose because I have one of the largest and most efficient grain elevators in the world in Prince Rupert, I have had an opportunity to learn a little more about grain than the minister has.

I might as well leap right off the top, Mr. Speaker, with what was quoted from *The Western Producer*. My friend from Prince Albert—Churchill River made note of it yesterday but certainly what the Conservative delegates, many of them farmers, had to say at the recent meetings on the Prairies are worth repeating here because the minister does not seem to understand what the implications are of wiping out the assistance that has been provided under the existing legislation through the government picking up interest costs and why that has added, not taken away, from orderly marketing of grains and crops.

This headline not only caught my colleague's eye, but it certainly caught mine because it said: "Rural PCs line up at convention to air their gripes". It goes on to say:

> Conservative farm policies were attacked last week by rural delegates attending the Progressive Conservative national convention.
>
> They said despite official government optimism and self-congratulations, conditions are bad down on the farm. And government policy is driving rural voters away from Conservatives, they warned.
>
> There was scarcely a word of praise for past government performance or the new theology of market-oriented, subsidy-reduced farm policy being developed and promoted by agriculture minister Don Mazankowski.
>
> As Mazankowski sat in the audience listening, delegate after delegate came to the microphone to complain about the state of the farm economy.
>
> They complained about prices, high interest rates, uncertainty caused by government policy and the inequities of the drought program.
>
> Russell Lakusta, of Wandering River in northeastern Alberta, complained that he cannot afford to turn his grain farm over to his son.
>
> "Farmers are in very poor shape", he said. "If we don't get federal help, lower interest rates and get to the point where farmers break even—" At that point, his voice broke and the sentence trailed off.
>
> Later the longtime Conservative said he does not find the government particularly sympathetic to the farmer's plight, despite the record of subsidies.
>
> "I still think the government is sorry for the $3 billion they gave to us," he said in an interview. "I don't know why. I think if it hadn't been for Grant Devine's election, we wouldn't have gotten that either."
>
> Farmer Bill Cole, from Ninette, Man., was equally blunt.
>
> He was angry about the loss of the interest-free advance payment program this year and the way the drought payment was handled. Payments were late, administration too cumbersome and in too many cases, farmers are being asked to pay back thousands of dollars already received in interim payments, he said in an interview.
>
> On his own farm, Cole received a $7 an acre interim payment and then, instead of the additional payment he expected to cover his bills, he received a notice from Ottawa that he had been overpaid by 52 cents an acre. He has to pay it back.

He went on to say:

> "That program was a disaster", said Cole, a member of the executive—

The Conservative executive, Mr. Speaker—

> —in grains minister Charlie Mayer's constituency organization.

Here is what he had to say:

> "I told Charlie last week to his face, you have two chances for re-election: slim and none."
>
> Other delegates had other complaints.
>
> A young Quebec farmer said the government should do more to help young people stay on the land.

An Ontario dairy farmer said reducing government regulation is not the answer.

A Prince Edward Island delegate warned that low prices and a lack of government action will send many family farms into the grasp of multinational, vertically-integrated food companies.

A southern Saskatchewan nurse said farmers are turning to alcohol, drugs and suicide because of poor conditions and a lack of government support.

I could go on, but let me deal with what some of the Conservative policies have been and what they have done.

Mr. McKnight: Did you run out of *Hansard*, Jim?

Mr. Fulton: The members across the way are trying to get me going. They may live to regret it. This is the party over there that has been abandoning branch lines. What does that mean to farmers across western Canada and farmers in other areas of the country? What about the closing of elevators? The government members probably do not know that if you take all of the rail cars capable of handling grain and you take all of the elevators, including Prince Rupert, Churchill, and the Lakehead, that can only handle a small fraction, not even 40 per cent, of the grain coming off the prairies.

What they are suggesting with this amendment is that that grain kept on the farm should be encouraged to be pushed out on to the market as soon as possible because the farmers are the ones who are going to be left carrying the interest rate as it builds higher and higher and higher through the winter.

Government members are always wanting to talk about a level playing field, if they are talking to their American friends. We know where the pressure came from for this amendment. It came from Washington. This is not being suggested by producers nor is it being suggested by anyone across the prairies.

This will destroy orderly marketing. It does not give farmers in different areas in the country the same opportunity because they do not have the same access. They do not have the same branch lines. They do not have the same access to elevators. It undermines the Wheat Board, it undermines the quota on grain deliveries, and it undermines the pooling concept of pricing.

What other things have been happening on the prairies? We have seen the continued movement—first under the Liberals but now at an accelerating rate under the Conservatives—of young people and long-time families off the farms in every single province in the country. We have seen the closing of schools, we have seen the collapse of much of the rural infrastructure that has made farming communities the vital driving force of this country, unlike most countries around the world. There is a real need for orderly marketing over as long a period as possible in order for farmers to get the best possible rate of return and also for this country to get the best rate of return in terms of balance of trade. This government is proposing to change the rules of the game once farmers have made certain calculations affecting this year and next year's operations.

Let us take a look at what precisely is being proposed here. These two programs provided producers of storable crops with interest-free government guaranteed loans at harvest time, based on a portion of the value of the crop up to $30,000 maximum, $60,000, and $90,000 in some circumstances, depending on partnerships and so on.

• (1730)

The producer was in effect able to sell part of his or her crop to pay bills even though the commodity stayed in his own bins or another storage facility. The loan was repaid as the crop was sold.

This Bill C-36, which replaces an earlier amending bill known as C-32, which the government withdrew in order to be enhanced, will make these loans interest bearing. The new maximum an individual producer can borrow is up to $250,000 and there is an interest guarantee in the event of loan default.

The Advanced Payments for Crops Act was initiated in 1977 and is essentially the eastern equivalent of its sister Prairie Grain Advance Payments Act. The APCA ensured the producers marketed their crops when prices were most favourable. Individual commodity groups and marketing boards administered the act on behalf of Agriculture Canada.

There is intense opposition to the cancellation of the interest free loan provision. The Ontario Corn Producers Association, the OCPA and the Ontario Soy Bean Growers Marketing Board, the OSGMB, prepared briefs outlining their reasons for opposing the changes, proposals that have not been dealt with by anyone on the government side.

The OCPA says the program proved to be a major benefit in shifting corn sales from the autumn until later in the marketing year, thereby reducing the extent of export sales in the autumn and shortage-induced imports in later months. While the federal guarantee under a revised APCA would allow groups to borrow money at or slightly below prime, administration charges would mean an effective cost to producers at well above prime, providing no advantage over commercial sources of credit.

We know the pressure for this came from the U.S. and the Fraser Institute and these great think tanks this government relies on for cuts to VIA, for the clawback on pension and family allowance and for the cuts to UI.

Mr. McKnight: You are ad libbing, Jim. Get back to your text.

Mr. Fulton: We are looking forward to hearing from ministers on that side to seriously get up and debate the impact of their proposals.

My friend who was speaking a few moments ago was talking about the skulduggery involved with how this government has handled the whole question regarding yogurt and ice cream. We know how it has bungled and fumbled and misled farmers on that one. We know that that is the piece of wool that could unravel marketing boards in this country. There is not a dairyman in this country who does not know they were misled by the Conservatives during the trade debate and earlier this year.

Mr. McKnight: Wool comes from sheep, not cows.

Mr. Fulton: Those same groups point out there is no offsetting reduction for the 1989-90 crop year in the U.S. loan program, the American equivalent to the APCA for grains and oilseeds.

After conducting a cost benefit summary for the 1986-87 and 1988 crop years, the OCPA calculates benefits to the producer to average, expressed as value increase of $4.54 and $36.30 for each tonne respectively, for a total dollar figure of $2,044,826 and $16,796,423. At the same time the interest cost to Agriculture Canada was $1,175,976 in 1986-87 and $1,121,022 in 1987-88.

The cash advance meant a value increase of $8.79 and $60.73 a tonne for soybean producers in these two crop years, or a value of $1,523,932 and $10,716,590 respectively. It cost the government $759,817 and $773,050.

Users of the APCA and major farm groups want the current interest free program to be extended for this crop year with discussions held to determine the impact of changes on the farm community. Many producers had planned their finances with the assumption that the money would be available and they had been left in the lurch. This is something the government members do not really want to talk about. I am glad to see the Minister responsible for Grains and Oilseeds here now. Perhaps he can respond to what was going on at the convention regarding Mr. Cole. He is from Charlie's own executive in his constituency. He said:

> I told Charlie last week to his face, you have two chances for re-election: slim and none.

We will be looking forward to hearing how he is going to respond to that one.

Mr. McKnight: That is what you said about the government in 1988, Fulton.

Mr. Fulton: We will see. My vote went up.

Users of the APCA and major farm groups want the current interest free program to be extended for this crop year. Many of them, as I said a moment ago, have been left in a lurch.

Horticultural groups say the changes will force vegetable producers to market their crops early in the season when prices are low. Putting all this product on the market will force prices even lower. *Union des producteurs agricoles* suggests that these low prices will trigger stabilization payments which could get producers in countervailable difficulty with the U.S.

Well, what about consumers? Let us think about it for a moment. It is great for a short burst to get a real good buy on some tomatoes or cucumbers or turnips or potatoes or whatever, but the government does not seem to have thought very carefully through what that means to the producer. What does it mean to the producer? This will be a great boon, a great boondoggle to California and a lot of the mid-west states which have a much longer growing season.

Once again, we can see where all this came from: the trade debate. The government side never wanted to talk about the reality of our geography and our climate, but limiting the period within which farmers can sell their produce does only one thing, it drives down the price and it makes farms less viable. It is a very simple fact that the Conservatives seem incapable of understanding.

Of course, the Conservatives have changed who they are after as voters. They do not really give a damn about farmers any more. They do not give a damn about northerners. Who are they really after? They are after the yuppie vote. That is who they are after.

Mr. McKnight: That's the NDP vote.

Mr. Fulton: The Minister of Defence, in promoting low-level flights in Labrador, is certainly not interested in the votes of Newfoundlanders. He certainly is not interested in the human rights of Inuit, but he thinks that the yuppie voters in Toronto, Montreal or Vancouver might vote for him.

The Minister of Defence has not cut back on any of his expenditures and he has certainly never stood up in this House to stand up for the farmers on the prairies. We on this side certainly look forward to hearing him stand up and vote against a stupid bill like C-36 which is harming the very people that he claims to represent.

Mr. Funk: He is turning plough shares into jets.

Mr. Fulton: Selling all his products so soon after harvest will short the market for Quebec's 12 year round crops such as turnip, onion and cabbage. Supply will run out in March and consumers will have to buy imported U.S. produce and pay higher prices.

The Prairie Grain Advance Payment Act is older than the APCA, having started back in the 1957-58 crop year. It is administered by the Canadian Wheat Board. By giving producers of board grains their money up front and hence an incentive to deliver their grain in a more orderly fashion throughout the crop year as the board asks for deliveries of grades and kinds of grain in demand, the program helped to solve the storage problem and the handling system.

The amount advanced to farmers through the PGAPA has fluctuated over the years, but in the 1957-58 crop the government advanced $35 million to producers. By 1980-81, this had risen to $333 million and in the 1987-88 crop year to $563 million in loans. Administration costs for the same crop year amounted to $1 million according to the Wheat Board 1987-88 Annual Report.

The continuing closure of grain elevators has left the system with less than 40 per cent capacity. Hence, killing the program through the elimination of the interest free provision will worsen the congestion problem. As well, the July 1988 amendment to the Canadian Wheat Board Act, Bill C-92, which allows farmers to ship grain in producer cars to avoid paying some of the handling charges, will cause the further closure of marginal elevators.

I am sure companies like Cargill are clapping their hands and phoning the minister responsible for grains and the Minister of Agriculture saying "ready aye ready, this kind of approach is just lovely".

In the 1989-90 crop year, which began August 1, the government has decided not to lend any money until C-32 is passed, now Bill C-36, otherwise, under the current terms of the act, they would be obliged to again offer the interest free provision which, of course, leads to orderly marketing. That is something that the Conservative mind seems incapable of understanding any longer.

The Advisory Committee to the Canadian Wheat Board wrote to the minister responsible for grains on July 13, offering the minister the following unanimous resolution:

> That the Advisory Committee to the Canadian Wheat Board recommend to the federal government that for the 1989-90 crop year the cash advance program be operated as it was in the 1988-89 crop year.

In passing the motion the committee noted that it also wanted to give recognition to the fact that economic factors continue to create serious financial stress for many producers in western Canada.

• (1740)

The National Farmers Union offered similar advice in mid-August when they wrote: "A cash advance program is urgently needed for the 1989-90 crop year, since farmers need cash flow now to pay their bills".

Prairie pools say the changes will hurt orderly marketing and undermine the Canadian Wheat Board because it will be more difficult to manage deliveries.

Manitoba's Keystone Agricultural Producers noted in their June newsletter that the elimination of the interest free provision under both acts would be "particularly onerous for grains and oilseeds producers in Manitoba who are virtually obliged to ship their commodities through the port at Thunder Bay. Because that port is closed during the winter months, many farmers in Manitoba sit all winter with little or no opportunity to market grain, resulting, in turn, in their having little income with which to pay their bills and support the economies of their local communities".

One must wonder why the Minister responsible for grains would not understand that. It seems to be a fairly simple fact that if you have to get a loan and pay interest on it and you have got to maintain in your own storage facilities that grain until you can actually sell it, the longer you have to keep it on your farm, the longer you have to pay that interest, the more in debt you are eventually going to become.

If the Minister is interested in writing recipes for disaster for farmers in certain areas of the country, he has certainly done a good job of it. It truly defies the imagination to hear the Minister of National Defence go after the member who was speaking earlier, saying that a six month hoist is somehow denying farmers access to any kind of programs at all. What the government should be doing is keeping an orderly process in place and keeping the interest payment program in place. That is something they do not seem to understand.

According to the 1989 budget papers, the ones that were leaked to Doug Small and which the Minister dodged around and expected everyone to cheer for when they became public, the Minister of Finance said that he expects to save $27 million by dropping the interest free provision for each of the current and upcoming budget years; $10 million of the APCA and $17 million of the PGAPA.

What we have here is a proposal that does not sound like an enormous amount of money to a government, $27 million, but what it means to the farming community is a great deal. The implication that it has, whether it is for the Port of Prince Rupert or whether it is for crop producers in Quebec or grain producers on the prairies, is disorder. That is why those Conservative delegates at the national convention who were going to the microphone were telling the truth. They were telling the truth, not only to the Minister responsible for Grains and Oilseeds, they were telling the truth to the government. The Conservative age is over. The flat earth society has to be thrown out of office.

An Hon. Member: Hear, hear!

Mr. Cardiff: Mr. Speaker, I would like to point out to the member that he seems to be focusing on the interest costs and the payment of interest under the old act. However, the market opportunities are the most important part of the act. It allows the producer to orderly market throughout the year.

That benefit is still there at a preferred interest rate, and the level has been increased. Each producer can participate at a greater level. I think it is wrong to focus on the subsidy or the interest rate. We should be focusing on the marketing ability. That is where the greater moneys can be derived back to agriculture. Does he realize that?

Mr. Fulton: I am not quite sure who the member is parliamentary secretary to, but if the member wants to have a close look at the legislation, I have a copy here on my desk. I will send it to him.

While one level of the loan may have been increased from $30,000 to a potential $250,000, if you are borrowing at prime or just below prime and you add on the administrative costs, you might as well go to a private lender. This is not going to lead to orderly marketing.

The member did not rise and dispute any of the facts that I put on the record regarding grain elevator capacity and the capacity we have in relation to rail cars and so on. That is 40 per cent of the crop. The rest is being held on the farm. This kind of a legislative approach will lead to attempts to sell off at lower prices rather than waiting throughout the year to when better sales can be achieved.

I know from tracking the prices at which grain is sold out of Prince Rupert at what times of year which markets will yield the best prices. This kind of approach will not lead to a kind of situation where a farmer will say that he will wait before he will start moving his grains until there is a better sign in the market.

I do not think the member or the government truly understand the implications of this bill.

Mr. McKnight: Mr. Speaker, the member who just spoke talked about farmers picking a time to sell through this elevator in his constituency that he is very, very familiar with and that he understands so well. He says this will force farmers to deliver when prices are better. That is what he said. They will pick their opportunity. Does he understand that the Canadian Wheat Board controls the export of grain through that elevator that he understands so well, that inputs are pooled and that producers share equally in that pooling?

Mr. Fulton: Mr. Speaker, it is unfortunate that the minister took the words that I was saying literally. I know a farmer does not pick up the phone to determine that on the Tokyo exchange the grain markets have gone up, so he will just load it on his truck and run it down to the elevator, pump it in, take it out to Rupert and load it on the boat.

If the minister thinks that is how the grain system works he really should not be in cabinet.

Mr. Foster: Mr. Speaker, I just want to comment.

The parliamentary secretary talked about the importance of the opportunity to deliver grain. He obviously does not understand that this provision of taking away the interest free portion will result in the program being destroyed. The Ontario Corn Producers estimate that although in the past they have had something like 1,200 people use this program, possibly as few as 50 farmers will use it. The question is whether a group like the Ontario Corn Producers will even bother operating the program.

Talking about the advantages, if you look at the material provided to all members of this House by the Ontario Corn Producers you will see that the cost benefit of this program, of being able to market later in the year without having to pay those interest charges through the fall and winter months for the 1987 crop year, resulted in a 15 to 1 advantage. In other words, the cost to the government was something of the order of $1 million. The advantage in the increased price for those corn producers in Ontario was some $16 million. That is 15 to 1. That is not a bad improvement in prices.

I think that the parliamentary secretary should obey the law. The law says that you are supposed to provide that money now. The existing law says that you are supposed to provide that money to the corn producers, to the Canadian Wheat Board and to other groups with the interest being borne by the federal government. You should obey the law and provide those funds to those groups now because it is crop time and those moneys should be provided. You are breaking the law by not providing that money and you should do it now.

Mr. Fulton: Mr. Speaker, I could not agree more. I think the member put it very well and I am sure that the parliamentary secretary will not even try to get up to respond to it because he knows that we are right on this side of the House. We know that what they are doing to the farm community in this country is wrong. They are doing something to impress their friends at the Fraser Institute and down in Washington. They don't really care about what the implications are for the farm community. I am sure that the parliamentary secretary and the minister will not even dare to get up to respond to the facts that the hon. member and I put on the record today.

Mr. Harvard: Mr. Speaker, I think the member who represents the Prince Rupert area has made some telling points. I just want to say a couple of things. The government members have been saying over and over again that we should get this bill through because the farmers need help.

The fact of the matter is that it is they who are at fault. We had a program in place. The farmers were using it. The government members are the ones who have destroyed it. Now they are begging for help. Well, let's get things a little straight. Another point I want to make concerns the government wanting to enlist the support of the farmers to fight the deficit. This is their way of saying to the farmers: "come on, fight the deficit". Does the hon. member think that this is the right way to fight the deficit? Is this the way to eliminate waste? Is this the way to save money or can he think of better ways than attacking the farmers in this way?

• (1750)

Mr. Fulton: Mr. Speaker, I thank the member for that very good question because anyone who has taken the time to look will see that the cash flow of the farm community in this country and the net income they are actually left with, either as individuals or as groups in this country, is falling. It is a very tragic situation. We have a government that has not just failed, but has refused to collect $34 billion owed by a small handful of profitable corporations and rich families in this country. That is not million, that is $34 billion. That is this year's deficit. There are 85,000 profitable corporations that paid no taxes last year.

An Hon. Member: That is not fair.

Mr. Fulton: Eighty-five thousand profitable corporations. So who is the government going after?

Well, Mr. Speaker, we know. We can look at the clawback on pensions or the clawback on family allowance. According to Statistics Canada, the UI cuts will mean 130,000 workers, particularly seasonal workers, who would have been eligible for unemployment insurance, are now cut off. Communities are cut off by today's announcement on VIA Rail cuts. Who is getting the big deal? Who is the sugar-daddy in this deal? You do not have to look too far. The 150 corporations that funded the fight against the Liberals and the NDP in the last election, and gave all the cash to the Tories on the free trade deal, are doing very well. Those corporations that do not have to pay any tax—

An Hon. Member: Welfare bums.

Mr. Fulton: That is right. David Lewis coined it in this chamber 20 years ago, the "corporate welfare bums". The political leadership is sadly lacking from the other side of the House. The idea of tarring and feathering and extorting more money out of the farm community should make every member of this House ill.

Some Hon. Members: Hear, hear!

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I guess many thoughts could not help but go through a person's mind when watching what is going on here this afternoon, although I do not know why anybody would want to watch what we do here. After seeing what happened here this afternoon, I have a feeling of sadness that motivates me to speak.

We did not learn anything about the bill. There were all kinds of misrepresentations being passed off for fact. It is a rather sad display of a system that a lot of us take considerable amount of pride in. Sure, we are not perfect in government, and sure anytime that you ask people to pay something that previously they have not paid for, they are not going to like it. We know that. No government likes to increase taxes or likes to reduce government spending. But when you face the kind of situation that we face in this country, there are some tough choices that have to be made. This is one of them.

It is interesting to listen to the members opposite—and I do not mean in any way to be pejorative—but we do not have any farmers getting up over there. There are members getting up, reading things of which they know nothing about. Unfortunately, they do not make any sense, and maybe from their own point of view it is just as well as they do not know what they are saying because if they knew what they were saying, they probably would not say it.

Let me try, if I can, to put some of this in some context. Anybody watching would think that a bill that provided cash advances to between 15 per cent and 20 per cent of the western farmers and certainly less than 10 per cent of farmers in other parts of the country was going to cause the total demise of the family farm. This is ludicrous. This is silly. Sure, it is something that is going to cause problems with people who have to pay interest. But there is another side to it. Think about the damage caused by interest rates that got to 22 per cent, 23 per cent and 25 per cent in 1982. We are still recovering from that as a farm community. Nobody talks about that.

Those who are connected with the farm community know that all of us work with borrowed money. If they want to inflict hardship on the farm community, the best way to do it is with interest rates. Let interest rates go up in this country and then you are going to see the opposition yelling. If that happens, they are going to have good cause to yell. It is true that farmers are going to have to pay a little bit more for some of these programs, but we firmly believe that without this kind of approach we run the risk of crippling not only the farm economy but the whole business economy in this country.

As I said, this legislation has been used by something in the order of 15 to 20 per cent of all the farmers in western Canada, who make use of it under the Prairie Grain Advance Payments Act. The numbers are difficult to calculate, but the number of other farmers who have used it is probably less than 5 per cent. You mention the Ontario corn growers. There are 25,000 corn producers in Ontario. Do you know how many use the program? About 500.

Sure, if you are one of the 500, it is going to affect you. But to suggest that this change will mean its demise is silly. The opposition does a disservice to themselves and the House to put some of the things on the record that they did this afternoon. Aside from that, if it is such terrible legislation, pass it and let us suffer the consequences with the farm community. You can point the finger at us and say: "That was bad legislation. We let you pass it. Let us go out there and explain it". Furthermore, you should know that this does not take

away the cash advance program. It is not going to cause interest rates to be charged 2 and 3 per cent above prime as was suggested. It is going to be a government guaranteed loan and my guess is that it will probably be available at prime.

An Hon. Member: Your guess.

Mr. Mayer: Okay, challenge us. Wait and see what happens when it is implemented. In the case of the Canadian Wheat Board which borrows at less than prime, there is every indication that the rate could be even less than prime. To suggest that it is going to be just as easy to go to the bank, and you are going to pay the same interest, is wrong.

Second, cash advances, the limit which farmers have been asking for, are going to be increased. It is going to be a better marketing tool because it is going to be increased to $250,000. To suggest additionally that this is going to hurt orderly marketing is exactly the opposite. With a cash advance you do not need to sell your grain because you have your money. The board has all kinds of examples where it needed grain and it put on a quota. There is no point in the guy hauling in the middle of winter because it is 40 below and he does not want to start his tractor, blow out the lane, get his truck going and all that. He has got his money. But if he has got to haul the grain to get his money, that helps as far as orderly marketing.

The hon. member laughs. This is the case. Look what happened last year on the prairies. There were some canola crushing facilities shut down because they could not get the canola. I am not saying totally, but a factor in that was the fact that these farmers had a cash advance. So, do not suggest that this is going to hurt orderly marketing. I could make the case that if anything it in fact may help. It has nothing to do with the pooling price. Whether you sell to the board on the first day of the crop year, which is August 1, or the last day which is the following July 31, you get exactly the same amount.

The hon. member for Skeena should know better than to get up and read this rubbish that somebody put in front of him. He is a smarter member than that, but that is the kind of stuff that we have heard this afternoon. It has nothing at all to do with the bill. We heard about free trade. If we get an early winter or a squirrel out there that does something silly, it is because of free trade. Everything is free trade. It has nothing to do with free trade.

What it does deal with is some fiscal sanity in this country so that our farmers and our business people can pay and continue to pay modest interest rates. To suggest that this one bill, used by probably less than 10 per cent of the farmers in the country, is going to cause the demise of everything is ludicrous.

Mr. Fulton: You could close all the heart units in the country. Only a few people need a heart unit.

Mr. Mayer: That is a silly analogy. Again, he is a smarter person than that. The sooner we get this bill passed, the sooner people will have cash advances and the sooner they will be able to make use of it in the same way that they have in the past.

I see you are calling time, Mr. Speaker. I will continue tomorrow, if I may.

Mr. Deputy Speaker: It being six o'clock, this House stands adjourned until tomorrow at 11 a.m., pursuant to standing order 24(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, October 5, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the government's response to petitions Nos 342-0892 and 342-0946.

[*Editor's note: See today's Votes and Proceedings.*]

* * *

POINT OF ORDER

COMMENTS IN COMMITTEE HEARINGS

Mr. Speaker: The hon. member for Kamloops on a point of order.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I was noticing that no ministers were rising to make a statement. I must say that as an Albertan by birth, as are many of us, we were offended by the comments made by the chairman of the finance committee in Edmonton. Considering that he is a senior representative of the government I was assuming that a minister of the cabinet would certainly be standing today to apologize for the rude comments.

Mr. Speaker: The hon. member from Kamloops rises on a point of order concerning a statement that may or may not have been made. It certainly has been interpreted by the hon. member for Kamloops, as an experienced member of the House, in such a way that he wishes to raise a complaint about it.

I have to ask the hon. member to bear with the Chair. The point has now been raised, but there may be other ways the hon. member would like to follow up on it that are more appropriate than at this time in routine proceedings. I understand the hon. member's position.

* * *

[*Translation*]

BILL S-2

TABLING OF COMMITTEE REPORT

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, I have the honour of tabling, in both official languages, the report of the Legislative Committee on Bill S-2, an Act to implement conventions between Canada and the Grand Duchy of Luxembourg and Canada and the Polish People's Republic and an agreement between Canada and Papua New Guinea for the avoidance of double taxation with respect to income tax without amendments.

[*English*]

ELECTIONS, PRIVILEGES, PROCEDURE AND PRIVATE MEMBERS' BUSINESS—FOURTH AND FIFTH REPORTS OF STANDING COMMITTEE

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, I have the honour to present the fourth report of the Standing Committee on Elections, Privileges, Procedure and Private Members' Business. This report deems motion No. 441 presented by the member for Western Arctic a votable item.

I also have the honour to present the fifth report of the Standing Committee on Elections, Privileges, Procedure and Private Members' Business. This report would authorize the CBC to broadcast a video tape repeat of the House of Commons proceedings which would allow Canadians to have greater access to Parliament. It is the hope of the committee that we will move for concurrence of this report from the House at a later date.

CONSUMER PACKAGING AND LABELLING ACT

MEASURE TO AMEND

Mr. Tom Wappel (Scarborough West) moved for leave to introduce bill C-265, an Act to amend the Consumer Packaging and Labelling Act (nutritional value of food).

Mr. Speaker: Shall the Hon. Member have leave to introduce the said bill?

Some Hon. Members: Agreed.

Mr. Wappel: Mr. Speaker, briefly the purpose of this bill is to ensure that the nutritional value, including vitamins, carbohydrates, fats and calories per portion of all processed foods is clearly stated on the package. This will provide important information for consumers to use when deciding which processed packaged foods to purchase for consumption.

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

* * *

PETITIONS

REFERENCE TO COMMITTEE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I move:

> That, pursuant to the provisions of Standing Order 133(2), the petition of Mr. Leslie Benjamin, seeking the passing of an Act establishing a national passenger rail service, filed after the time limit specified under Standing Order 132, be referred to the Standing Committee on Elections, Privileges, Procedure and Private Members' Business, together with the Second Report of the Clerk of Petitions thereon, presented to the House on Monday, October 2, 1989, for any recommendations the Committee deems advisable.

Mr. Speaker: Is it the pleasure of the House to adopt the motion? The Hon. Minister on a point of order.

• (1110)

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I think I may be able to assist my colleague from Thunder Bay—Atikokan, the House, and yourself. We have had an opportunity to examine the motion. I understand the difficulty here is a technical one. The hon. member has not had the opportunity to present his petition and from a procedural point of view has run into a problem. I can inform the House and the hon. member that we are ready to offer unanimous consent so this matter may be sent to committee as asked for in the motion.

Mr. Speaker: On the same point of order, the Hon. Member for Thunder Bay—Atikokan.

Mr. Angus: Mr. Speaker, I very much appreciate the government's desire to expedite this matter. I would, however, like to have an opportunity to briefly explain the purpose of the petition and of the request from Mr. Benjamin.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have no objection to the procedure, except that if there is going to be a debate, we will be there.

[*English*]

Mr. Speaker: The Hon. Member for Thunder Bay—Atikokan may proceed as is his undoubted right to enter into debate on this.

In view of the comments of the minister, it is appropriate to say to the House that the Chair will, of course, apply the rules. The Chair will also be taking into account the fact that this is a procedural matter and that is what must be addressed. I hope hon. members will take that into account as the Chair will certainly take it into account. The Hon. Member for Thunder Bay—Atikokan.

Mr. Angus: Mr. Speaker, I will endeavour to stick to the procedural aspects. Under the Standing Orders petitions for bills from private individuals should have been tabled in the first six weeks of the sitting of this House, that is, by May 12 of this year.

The reason the petition was submitted late is that at that point in time we were not aware of the need to develop a new national transportation system because we did not know that the government was going to eliminate the existing one. The Budget came down on April 27, so that was after the fact, decisions of yesterday were after that deadline. I submit to you, Sir, that the reason we are asking for this matter to be referred to the appropriate standing committee is so we can have that deadline waived allowing us to proceed to do what this government has refused to do and that is to develop a national transportation system that has permanency and legislation.

Mr. Speaker: I thank the hon. member for his intervention. That has been a clear and concise explanation of why this is being asked. We have a situation at this point where the government has completely and utterly acceded to the request of the New Democratic Party.

The Hon. Member for Ottawa—Vanier has the floor.

Mr. Gauthier: In talking to the procedural aspect of this question, I could give the House a brief explanation as to how to proceed with private bills and how members file petitions. I could read document after document into the record as to the difficulty with the standing order and other information that I have. I hesitate to do so because I think the Speaker would show his impatience with me.

My only comment is that, indeed, we are upset and believe that the government should have presented a global comprehensive approach to transportation before going ahead with the VIA Rail cuts, and the savaging of railroad transportation services. But we would certainly give unanimous approval that this matter be referred to the appropriate committee for consideration at this time.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

PROPOSED GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am honoured to present a petition obtained by my friend, the Hon. Member for London East, on behalf of many of the people living in his riding, who oppose the goods and services tax being imposed on Canadians by this arrogant government. The petitioners humbly pray for Parliament to reject this outrageous tax.

VIA RAIL

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise in the House today to present these petitions from the undersigned residents of Canada who now avail themselves of their ancient and undoubted right to present a grievance to this House. This grievance has to do with the VIA Rail service. They humbly ask this House to maintain and upgrade the service across Canada and offer the Canadian people an alternative to highway congestion and airport delays.

These petitions have been certified by the Clerk of Petitions.

PROPOSED GOODS AND SERVICES TAX

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, it is my honour and privilege to present to this House two petitions. One is from my own riding of Cochrane—Superior, and the other is from the riding of London East. The petitioners are demanding that the Government of Canada rescind the goods and services tax as it is a step backwards and does not address the crucial issue of fiscal reform in Canada.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is my duty to present a number of petitions dealing with the Conservative government's proposal to impose a goods and services tax on Canadians as of January 1, 1991.

[*English*]

The people who signed these petitions are from my riding and the surrounding area. They would like to make it clear to this government that they totally disagree with the application, and soundly oppose this new goods and services tax which is an unprecedented tax grab from the pockets of Canadians. It will hit them not only with higher taxes, but with higher inflation, higher interest rates, and higher unemployment.

• (1120)

Therefore, the petitioners humbly pray and call upon Parliament to reject the proposed goods and services tax.

Mr. Joe Fontana (London East): Mr. Speaker, it is an honour to present on behalf of hundreds of people from the ridings of London East, London West and London—Middlesex, including people from the St. Thomas area, a petition calling on this government to rescind its action on this cold, callous, and irresponsible, new goods and

services tax which will affect every man, woman and child in those ridings.

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have the honour and privilege to table today a petition that has been certified correct by the Clerk of Petitions according to Standing Order 36. The petition is signed by a number of residents of the City of Toronto. They point out that this government, like its Liberal predecessor, has refused to provide VIA with the necessary support to fully realize its potential to develop the kind of national passenger rail network that Canadians want and deserve. They call upon Parliament to live up to its original pledge to support VIA Rail.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): I have the honour of tabling, pursuant to Standing Order 36, two petitions by Canadians who call upon this Government to withdraw the proposed goods and services tax.

[*English*]

Mr. Joe McGuire (Egmont): Mr. Speaker, pursuant to Standing Order 36, I am honoured to present to this House a petition from the people of London, Ontario, which humbly asks that the proposed goods and services tax being brought in by this government be rejected.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I rise today to present two petitions from Canadians in London, Ontario, who humbly pray and call upon Parliament to reject the proposed goods and services tax.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I rise today to present four petitions which have been certified correct. All four petitions, with a total 116 signatures, deal with the proposed goods and services tax, and ask Parliament to do what it is supposed to do, namely, to listen to the people of Canada and, in this case, to categorically and unequivocally reject any legislation which is brought forward for the purpose of implementing the goods and services tax.

This will be just the beginning of many tens of petitions that the people of my riding will be presenting to the House.

VIA RAIL

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present a petition on behalf of a number of westerners who were concerned—actually this was before the fact—about the proposed cuts to VIA. Now we could say the cuts to VIA. The petitioners are asking the government to reconsider that decision.

It is an honour to present this petition.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, it is my pleasure to also rise today under the provisions of Standing Order 36 to present to the House petitions duly signed and certified correct by the Clerk of Petitions. These petitions from Canadians rights across this country call upon the government, in light of the now well-defined cuts to VIA Rail, to reconsider these cuts and to modernize the VIA Rail services in those parts of the country where it can provide a more rapid, economical, safe, convenient, environmentally-sound, and energy-efficient alternative to other means of transportation.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, if Question No. 75 could be made an Order for Return, this return would be tabled immediately.

Mr. Deputy Speak: It is the pleasure of the House that Question No. 75 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

DEPARTMENTAL BUDGETS

Question No. 75—**Mr. Caccia:**

1. Which policy, budget and programs, based on the 1989-90 estimates, in each department or agency (a) implements (b) discourages the implementation of environmentally sustainable development?

2. For each such program, what are the respective budgets and person-years?

Return tabled.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

The House resumed from Wednesday, October 4, consideration of the motion of Mr. Mazankowski that Bill C-36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee; and the amendment of Mr. Foster (p. 4314).

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, in the approximately 10 minutes that I have I would like to outline for the House what the bill is. In listening to the opposition yesterday and a little bit on Tuesday, you would never know what this bill is.

Quite simply, this is a bill to change the way the present two bills, the Advance Payments for Crops Act, and the Western Grain Advance Payments Act operate. The Advance Payments for Crops Act was put into effect a little later than the Prairie Grain Advance Payments Act. Up until now farmers were able to go to their elevator, in the case of the Canadian Wheat Board, or make use of a producer association as far as the Advance Payments for Crops Act was concerned and obtain an advance on crops already harvested but not yet sold. Presently that legislation limits the amount of advance available to $30,000.

What the government is proposing to do is to not take away the eligibility for advances as surmised from listening to the opposition. It is to change the way the two acts presently operate so that interest is payable on those advances. We are not in any way removing the farmer's ability to obtain an advance. What we are proposing to do is to charge interest on those advances once they are obtained.

The suggestion has been made that this will hurt the orderly marketing system. Let me say that that is not the case. I do not see that as being the case at all. In fact you can make the other case that, to the extent that a farmer is able to obtain an advance before he sells his crop, it does not necessarily put a lot of pressure on him to sell his crop in order to get money. There are cases where that has actually hurt the orderly marketing system, maybe not to a large extent but there is that factor.

The suggestion was made that in terms of interest this will cost more money than you would have to pay if you went to the bank. Again, I do not think that that is necessarily the case. In fact, I would argue the opposite. We will have to wait to see what happens in practice. With a government guaranteed loan there is every reason to expect that the amount of interest that the farmer would pay, once he obtains a loan would be at or less than bank rate.

Certainly, in the case of the Canadian Wheat Board the Canadian Wheat Board operates, when it borrows money, at less than prime. To the extent that the board will be involved and will be able to offer those cash advances, there is every reason to expect that that could be better than the normal interest that a farmer would get from a bank. Again, that is not the case.

There is evidence, and there are cases, where a farmer does not need the cash advance to pay bills. The fact that the cash advance is there with no interest means that a farmer can go to the elevator, in the case of the Canadian Wheat Board, or make use of his producer association, in the case of the Advance Payments for Crops Act, obtain the advance, pay no interest on it and essentially have free money for a period of time. I do not think that that is a wise use of taxpayers' dollars. Again, I am not suggesting that that is a widespread practice but everybody knows that there are occasions when that has happened. By charging interest we will be making farmers look at how they use these two acts and make sure they use them with in good business practice.

• (1130)

I listened yesterday and the day before to all these things that are going to happen. Some of those suggestions are absolutely silly. I am trying to put into perspective what in fact these two amendments to the Advance Payments for Crops Act and the Western Grain Advance

Payments Act will do. You are still going to be able to get them, but you are going to have to pay interest on them.

Let us put this into perspective by considering how many people use them. In the case of the Canadian Wheat Board, which is where the majority of it is used, something less than 20 per cent of all of the producers use them. Even in the case of 1981–1982 when interest rates got well over 20 per cent, out of about 140,000 or 150,000 permit book holders only 33,388 producers took out cash advances, about 20 per cent. Not everybody uses them, and again I am not minimizing the importance of this program to the people who use them. Certainly it is important to the people who use them, but by no means has a majority of the producers used it.

In the case of Advance Payments for Crops Act it is even less. Again there are cases where they are very useful even though they are used by a small minority of farmers. In the case of the Ontario growers, about 25,000 corn growers in Ontario, last year 536 Ontario corn growers made use of the cash advance. We are not at all crippling the farm community, as one would think from listening to the opposition. Let us put that in some context.

I want to emphasize one point. To the extent that the opposition members believe the rhetoric that we heard from them yesterday and the day before, they then have a responsibility to see that this bill gets through. I hear them saying that this is going to decimate the farm community, using words like horrific and saying that it is going to destroy the family farm, that it is going to do all these things.

If that is the case, let's pass the bill. The cash advances will be available, and let it be clear to everybody involved in this issue—the farmers who want it and the farm organizations that want it—that the reason for this bill being held up is the opposition. The reason that farmers are not going to have cash advances available in any form is what the opposition is doing in holding this up.

It is one thing to have opposition and to get up and debate the merits of the case, but that is not what we heard yesterday. The hon. member for Mount Royal, a very fine lady for whom I have a lot of respect, got up to speak. With all due respect, when you see that kind of opposition it is simply opposing for the sake of opposing. The hon. member for Skeena, there is nothing to do with farming in his area. He is simply opposing for the sake of opposing.

If opposition members are as concerned as they make out to be, they should pass the bill and let the farmers have cash advances but let them pay interest. As I pointed out, it is not going to be nearly as bad as one would think from listening to the opposition.

Additionally the bill provides some amendments I hope members opposite would agree with which would raise the limit.

Previously you could get $30,000; now it goes up to $250,000. Admittedly you are going to have to pay interest on it, but it certainly gives farmers a better chance to cash manage and to market some of their crops. For those who grow some of the vegetable crops it doesn't take a lot when you have a large amount of money invested per acre to get over $30,000 and up to $100,000 worth of crop. That is a useful amendment in the bill.

We are prepared to proceed as quickly as we can within reason so that the bill can get passed. Farmers would then have this program available to them. They are going to have to pay interest, but at least they have the option.

I say very directly to those sitting opposite who have made up their minds to oppose this bill at any cost simply for the sake of mindless opposition and opposing that it is their responsibility, to the extent that they hold this bill up, that farmers are not going to have available to them cash advances in any form.

Let me say again that the amendments we are proposing here today are going to have interest payable but the limit is going to be raised to $250,000. I think that is something very useful.

I think I am getting close to the end of my allotted time, so let me make the point again. Nobody in a government likes having to increase taxes or taking away something that has already been there, but when we face the kind of financial situation that we have in this country this is one of the things that we are going to have to do.

As I have pointed out, a relatively small percentage of farmers make use of it. Admittedly they do find it useful. We are not taking away the program at all. We are making the program available but with interest payable. We are increasing the amount of dollars available under the program. To the extent that farmers used it in the

past, I suspect that there may be more farmers using it with the limits raised. There are some useful things about the bill and I hope that members will agree it.

We are not trying to rush it through unduly, but I think it is important to proceed with it as quickly as we can. Opposition members make the point that we should have had this done by the end of June. Perhaps they have a point there, but this is not the end of June. That is hindsight.

This is the beginning of October. The sooner we get the bill through, the sooner cash advances will be available to producers. I would ask the members of the opposition to use the reason they give for opposing the bill, that it is so important to farmers, as the reason to pass the bill so that farmers can have cash advances as quickly as possible.

In conclusion, the longer we wait, the more marketing there is going to be and the less use in the present crop year that farmers are going to be able to make of the bill. Again, to the extent that the opposition is simply opposing for the sake of delay, that is the responsibility of the opposition.

I would hope the opposition will see fit to pass this bill as quickly as possible so that farmers can have cash advances available to them as soon as possible.

Mr. Deputy Speaker: The hon. member for Algoma on a question or comment.

Mr. Foster: Mr. Speaker, we have just listened to the Minister of State for Grains and Oilseeds. It must be one of the most pathetic defences that I have ever heard from a minister on a bill being brought in. He is not only trifling with the opposition that there is to this bill across the country; he is misrepresenting what the bill is and the importance of the existing program.

I would just like to point out to the minister that on Monday of this week, October 2, 19 major commodity groups met in Winnipeg. They are calling upon the Prime Minister of Canada to withdraw the bill, to obey the law of Canada and to provide the interest free cash advances. Which of these groups does he not agree with? There is the Western Canadian Wheat Growers Association, the Western Barley Growers Association, the Alberta Pulse Growers, Focus on Inputs, Keystone Agricultural Producers, the Prairie Canola Grain Growers Council, and the Manitoba Canola Growers. He is from Manitoba himself. There is the Saskatchewan Canola Growers, the Alberta Soft Wheat Growers, and the United Grain Growers. These are all responsible farm groups calling on the minister to abandon this foolishness, this law that would take away cash advances. We are not just talking about $22 million or $25 million of interest assistance. We are talking about hundreds of millions of dollars of cash flow assistance to farmers not only to assist them at the time of harvest but to assist them in the returns.

If you look at Ontario Corn Growers, it estimates that for every dollar spent by the Government of Canada on interest free cash advances, the benefit to the growers of corn in the province of Ontario is some $16. That is a cost benefit of 15 to 1. Surely even the Minister for Grains and Oilseeds would agree that that is a tremendous advantage. If that is what the government is trying to do, for every dollar that the government spent on support programs for farmers would return a benefit of 15 to 1, then no farmer in this country would ever have difficulty. Clearly this program is perhaps, in returns to producers, one of the best that the government actually has.

• (1140)

The minister says that the farmers have to bear some of the pain of deficit reduction. They are bearing $500 million worth of pain. In my view these are the best spent funds that the government provides under government programs.

I would hope that the Government of Canada would withdraw this bill or let it die on the Order Paper, as the 19 major farm organizations and another dozen or so are asking it to do; obey the law of Canada and provide those funds interest free.

It should provide the cash advance money to the Wheat Board, to the corn and oilseed producers—all these producer groups right across the country—because that is what they are asking the government to do and it should listen to these producer groups. It should obey the law and provide the money now. We are not holding up this money. It is the government by not obeying the law of Canada and making these cash advance funds available right now interest free.

Mr. Mayer: Mr. Speaker, the hon. member is a well educated gentleman. He is a doctor of veterinary medicine and he knows very well that the way he uses figures is about as creative and as imaginative as can get. Euclid would be absolutely astounded to see the way he uses figures. He gives the impression that once the money is lent to farmers they never have to pay it back. This is silly. Surely he can come up with a better statement in the House of Commons than that.

The point is that sure the fact that a farmer can obtain a cash advance means that that money goes out sooner than it otherwise would. That is, by definition, what a cash advance is. A cash advance is an advance against the sale of a crop harvested but not yet sold. When the farmer sells his crop he has to repay the cash advance. The benefit to the farmer is in the form of interest forgone. That is what we are talking about. It is approximately $25 million and it varies from year to year. The figure used is $27 million; about two-thirds in western Canada and the remaining in the other parts of the country for other crops.

To suggest that there is that kind of a cost benefit ratio is absolute nonsense. If they are so concerned about not having cash advances available and not having that kind of money injected into the economy, surely the way to do it is to pass this bill. There may be even more money injected into the economy because you have raised the limits.

We have said right off the bat—and I said it today and yesterday—that farmers are going to have to pay interest. I am not disagreeing with any of the farm organizations. People want as much as they can get, especially from government, but there comes a time when you have to say there is a limit and we are saying that this is one of them.

When the hon. member uses those kinds of numbers and suggests that they mean anything, I suspect that he does not even believe his own figures. He is simply trying to use some numbers to dramatize a point that he really does not have. Again, if the opposition is so concerned about cash advances, let it pass the bill; we will have cash advances and farmers will then pay interest.

Mr. Ferguson: Mr. Speaker, I have to reject completely what the minister has tried to put across here in the House, that we are delaying the passage of this bill.

This bill was tabled on June 26 in this House. On the second day after Parliament was recalled, on September 26, the bill was discussed. The government asked permission to withdraw it from this House because it was totally flawed. That reflects the incompetence on the other side of the House and that was part of the delay.

We did not get to the debate until this week and I think the government is suggesting now that Parliament should give up its right to debate in order to cover up the incompetence of the government for its having to withdraw the bill and the delay that it caused which is keeping the money from the producers.

However, when he says that it is due to a budgetary cut or trying to save money, I wonder if the minister could comment on the fact that the total tax he will be collecting on tobacco and alcoholic beverages for the coming year will be $3.5 billion. Some $27 million is small potatoes compared to that. When we considered what is coming out as a result of primary production in terms of the tobacco tax and the grains that go into the manufacture of alcoholic beverages, I think that is a small return the government should be obligated to maintain to help the producers produce the products that result in such a windfall for this government.

I want to ask the minister once more: if you are concerned about getting the money into the hands of the producers, will you withdraw this legislation, revert to the former legislation, sign your agreements with the producers and get money in their hands if this is your wish?

Mr. Mayer: Mr. Speaker, I guess it is easy to get up and make statements in isolation. The hon. member makes the point that we collect all this money in taxes and I think wants to leave the impression that the only money we spend as a government in support of farmers is money in the previous legislation, the interest forgone. That is not the case at all. He knows that.

The record of this government in supporting farmers is a very good one. I do not know if I can give figures off the top of my head, but I think in the last calendar year in direct and indirect payments we have probably spent over $3 billion in support of farmers. We are spending a considerable amount of money, aside from the interest that the government pays on behalf of farmers in these

two acts—the Western Grain Advance Payments Act and the Advance Payments for Crops Act.

Let us put this in perspective. I am not suggesting that we pass the bill without debate. What I am suggesting is: when I listened to the debate yesterday in the House and I read parts of *Hansard* from Tuesday, this is not really opposition in terms of real genuine debate. It is simply opposition for the sake of opposition. Let us get it out of the House on second reading, get it to committee, and get the process under way, as opposed to putting up member after member who are reading speeches that are put in front of them and do not know anything about the bill. That is what is going on.

If the opposition is interested, let us conclude the debate today, right now, get it to committee as quickly as we can, call witnesses, and go ahead and proceed with the legislation. Then farmers will have available to them cash advances. Admittedly they are going to have to pay interest on it, but also they are going to have more cash advances as far as dollars are concerned because we are raising the limits. That is what we should be doing, instead of having this mindless opposition simply for the sake of opposition.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I would like to say at the outset that the minister has made the statement in the last few minutes that we on this side of the House do not understand the bill and made the accusation that we do not understand agriculture. I would like to challenge that statement.

Mr. Mayer: Mr. Speaker, I rise on a point of order. I did not say that the opposition does not understand agriculture. That is not what I said at all. I said that some hon. members during the debate that I heard yesterday did not understand this bill. They were obviously reading from a prepared text but on a personal basis did not understand this bill. So let us be clear on the points that I just made.

Mr. Vanclief: Mr. Speaker, I will tell the minister what I wanted to tell him. I also resent the fact that the accusation is being made that we are intentionally holding up the bill. I can tell the minister that I came to the House to partake in constructive criticism. I do understand the bill and I feel that I have that right and will take advantage of that right to make that constructive criticism. That is the vein in which we are speaking on this bill.

We know what the purpose of the bill has been. We know what will be the effects of the amendments that the government is proposing. In effect, the bill is going to gut the use of the act for many of the producers who have used it in the past. It will no longer be useful to them as the management tool it has been in the past.

• (1150)

We know that as far as the ministry is concerned the purpose of the bill is to save some $25 million to $27 million. This on the backs of the farmers who have used those programs. Later I will outline for the minister and challenge him to show me many other programs where investment by the government has returned many fold on the investment it has made by paying the interest on this loan.

I cannot believe what I have seen happening in the last few months I have had the privilege of being in this House as far as the gutting of many agricultural programs is concerned. This is just another one. Farmers are asking me daily and weekly: "What is going to be done to us next? We were told we had protection under Article 11 and those words are still there". In the last week or two the dairy farmers have lost a lot of confidence. They need to be reassured. The pork producers have lost a lot of confidence and now the grain farmers and vegetable and fruit farmers are saying: "Here goes another tool that we used. What is next?"

Farmers need all the financial management tools that they can possibly get in their hand. They get very unsettled and very depressed when they see them being taken away from them.

I would just like to ask a few questions and then discuss some answers in reference to Bill C-36.

First, has this program been a good investment of tax dollars? I think it has. The relative cost of the program has been minimal compared to the benefits it has generated. We have heard the figures from the Ontario Corn Producers. The minister says that only 536 of the Ontario Corn Producers use the program. But what is wrong with only 536 using the program? The Ontario Corn Producers say that probably very few of them will use the program in the future if the minister gets his way in charging interest on this.

If we look at the 1987 crop, for an investment of $2.61 by the government per tonne, if a grower used this in an orderly marketing system over six months the return to that grower was $12. That is a big return over six months.

In the year 1987–88, which was a different crop year, it was used again by many producers. I know if it happened in corn it happened in other grains and other crops as well. For an investment of $2.42 for each tonne of grain, if the grower marketed that nine months later, he got a return of $57.75. That is a return of 24 fold over a period of nine months. I might say that that is a fantastic investment by the Government of Canada in agriculture.

I could go on with other examples. This program is not only one that has been used by corn growers; this is a program that has been used by fruit and vegetable growers in B.C. It has been used by fruit and vegetable growers in Ontario. It has been used by farmers on the prairies. It has been used by potato farmers in the maritimes and all across Canada.

As well, we must realize the spin–off that comes from the effectiveness of this program. The farmer by using this financial tool is able to hold more of a crop in the bin or more of the product in storage and market it at a better time when he will probably, in most if not all cases, get a better price and therefore have more dollars to put back into circulation.

The spin–offs are spreading to the trucking industry, to grain elevator storage, to fruit and vegetable storages, to cold storages and elsewhere. The spin–off also benefits the farm implement dealers because the farmers, having had this management tool available to them, can build new storages, purchase new granaries, spend that money and keep it in circulation. That is to say nothing of the orderly marketing of these products so that the farmers can market them to the purchasers and make them more readily available throughout the year for all purchasers, whether they be grain or fruit and vegetable products.

Next, will the intent of the bill be attained if interest is charged on the advance? I admit that some farmers will still use it. Basically I feel the effectiveness of the program will be gutted when the farmers are told they are going to have pay interest on this. It has been a financial management tool that has been available to the producers and has enabled them to repay their spring operating costs before the year was completed.

As we know, most farmers operate on the cash system. When they have been able to borrow that and repay their suppliers in the fall for their fertilizer or seed, they have been able to take advantage of post harvest changes in the prices of their product and reap the benefit. This has been very successful for many but not all producers because every producer does not need to avail himself of every management tool there is, but this has been an effective tool. I state again that it will not be nearly as effective when the whole rule of the game is changed.

I ask the next question: if the government insists on doing so, is it fair to be making this change at this time of year? Farmers made their budgets and did their financial planning last January and February. At that time the old program was in effect. Nothing was said at that time that the rules were going to change part way through the ball game. I am sure many teams would like to do that if they could, but I do not think it is fair ball to do it at this time of year.

It could have been done in June. Admittedly the planning by the producers would have been done at that time as well. In fairness to the producers and the organizations, if the government insists on doing this it should look at the amendment put forward by this side of the House. It should have consultations with the producer organizations in the next month before taking this action.

I do not like to use the word blackmail, but the minister has said unless the new amendments are made the old program will be used after August 1. You either play by the rules or you do not get anything at all. It is not even obeying the law that is present on the books. That is upsetting many people out there.

The harvest is complete, tax planning and budgets have been done, bankers have sat down with their clients and worked this out. Now the farmer is in the position of having to go back to those that are assisting him and financing his program for the year and saying: "Well, I am sorry, the government changed the rules and we are going to have to do this in a different fashion".

Is the Canadian agricultural industry being challenged at the GATT with respect to the old program? I do not believe it is, although it may very well be challenged by producers to the south of us. We know this is one of the things the United States pointed its finger at as far as the so–called level playing field is concerned. We hear those

words a lot. We have to be realistic. It pointed the finger and said that we should not do that. It concerns me that every time somebody points a finger at us we say: "Okay, we will change".

• (1200)

I am getting the impression that we are suckers; we are the good guys. We are the guys that are doing what other countries say should be done. We could debate that at another time, but then we do it, and they say thank you very much but they do not make any changes themselves. I think that is very evident.

I read the other day that the 1990 U.S. farm bill is virtually not making any changes as far as assistance to agriculture in the United States compared to the 1985 bill, but the United States is pointing its finger at Canada and saying that we cannot do this and we cannot do that. We had a finger pointed at us—so we literally lay down and died—then said, "Okay, if you don't want us to do it, we won't do it." It is going to be done off the backs of the farmers to the extent of $25 million or $27 million a year.

This is a program that does not stimulate production. This is a program that has been used for orderly marketing and will be used for orderly marketing by a few people, I will admit, but not by nearly as many and that is the concern.

The government agreed back in April at the GATT rounds to freeze the level of agriculture support. Here we are, being nice guys again to the rest of the world, saying, "Well, we won't freeze. We will reduce more whether you fellows do or not".

The other question I may have already answered: Is this program unlike that of any of those of our neighbours to the south? No, it is not. They have their loan programs and we do not get any impression that they are reducing them. It upsets me when we say that we are going to reduce ours. If they will reciprocate and reduce some of theirs, then that is a different game. We are in a different situation.

Where is our spine? Are we just going to lay down and die on this, or are we going to say to some of the finger-pointers, "No, this is something that we want to do for agriculture in Canada. This is something that we feel is a good return on tax dollars, and this is something we are going to fight for". Farmers feel that they have given a fair bit. Farmers are not opposed to giving their share toward attacking the deficit. They have been told they are going to do it on the excise tax. They have been told they are going to do it on dairy support programs.

Pork producers know that through actions that have taken place about which the government is not happy, and I hope that it can be successful in fighting it, there are countervails on pork, ice cream and yogurt. We pleaded for exemptions to the United States trade bill before we signed the deal last winter, but we did not get them. Now we re paying the price.

I request of the ministry that we debate these items back and forth with our neighbours to the south. I implore the minister to get as good a list of the support programs that they have south of the border as they appear to have of ours so that we can go back and argue some of these points.

Another question arises: Is the government consulting or even listening to the advice of the agriculture sector that is involved in this decision? I know the government is getting the information. I do not know whether it is reading it. I do not know whether it is listening to it if it hears it.

Farmers have recently and more often asked me if the government has lost the word "consultation" from its dictionary. I say that I certainly have that impression. The government does not seem to want to talk. It does not seem to want to listen.

I will quote from a letter to the Minister of Agriculture of September 20, from the Ontario Corn Producers:

> The Ontario Corn Producers Association respectively requests that this bill to amend the Advance Payments for Crops Act (APCA) not be passed in its present form.
>
> We request that the current APCA programs be continued, with the interest-free provision, at least for the 1989-90 crop year.
>
> During the coming year, OCPA and other farm organizations could consult with the federal government to develop acceptable alternatives to the current APCA programs.
>
> Failure to enter any agreements for 1989-90 would result in financial difficulties for the many producers who have prepared cash-flow statements for 1989-90 and have received credit for the coming crop year based on the assumed continued existence of the APCA Program.

Elimination of the interest-free provision will effectively destroy the program and will result in an ineffectual program with minimal participation even if current advance loan levels are significantly increased.

I ask the minister, will he sit down and have that discussion? Not only did he received that letter that I quoted from, he received letters from the other 18 or 19 associations asking the minister to consider that. Will he not do that?

I realize government members have a majority. I recognize that they can do whatever they want, because if they do not have the nerve enough to put it forth before the House, they can do what they did with VIA Rail yesterday, they can do it by Order in Council. If members of their own caucus oppose it, they do not have to be embarrassed by they either not showing up or standing up and being counted as voting against it.

I find it very hard to believe that all of the members on the other side of the House can support this bill as it is before us now. I recognize all that. They have that majority. They can do it if they wish. I also state that that does not necessarily make it right or that does not necessarily make it fair.

Mr. Mayer: Mr. Speaker, I listened carefully to the hon. member, and we have had conversations. I know he is a farmer who has had a lot of experience with various crops and I respect his views.

He makes the point that for every $2.51 that the government invests—and I take it that is what he means by interest that the government pays on the loan—there was a return of $12 and some cents. Surely that is a case for passing this bill. He is saying that a farmer is not smart enough to pay interest, the $2.51, in order to earn the $12.

If the member follows that statement to what I would think would be its logical conclusion, he should pass this bill. He is then enabling the farmer to make that investment of $2.51 instead of the government making it on his behalf and the farmer then would earn $12. Surely that is a good investment. By saying that they are going to dig their heels in and that they do not want to pass this bill, the member is denying that very farmer the ability to make use of the example that he just used. I wanted to point that out. Sure, we agree that interest is going to have to be paid by the farmer, but there is still a very great return there in his own numbers. I do not know how he gets those numbers, but I take them at face value. That is a very good and cogent argument for the opposition letting this bill go through and be passed.

Mr. Vanclief: Mr. Speaker, as I stated several times, this is a management tool that the government has provided for the farmers to use in the past that has been cost-free to the farmers. Farmers are losing a lot. They are having a lot taken away from them.

No one likes to spend money unless a person has to spend money, yourself included, and that is quite obvious because you want to save $27 million in assistance to the agriculture community by withdrawing that aspect of this bill. I am saying that farmers have used that provision before and they wish to continue to use it as before. If it is a good investment for the farmer, is it not a good investment for the government and agriculture as well, to show the faith that this government has had in the agricultural community? As I say, the farmers are asking what is going to be taken away from them next.

• (1210)

Mr. Foster: Mr. Speaker, I just wanted to compliment the hon. member for Prince Edward—Hastings. I thought he made a very good presentation why the government should not be taking away the advance payments program.

The minister responsible for grains and oilseeds suggests that somehow or other the program is not going to be destroyed. All he needs to do is talk to the executive secretary of the Ontario Corn Producers, Mr. Daynard, and he will find out that in the past something like 1,200 farmers have used the program and that the group has probably analysed the program better than any other which has been making representations to members of Parliament. The group had a board meeting last Thursday and it was calculating whether it might be as low as 50 farmers who would actually use the program. That suggests to me that, in fact, something like fewer than 5 per cent would use the program when it is only a loan guarantee that the government is providing.

The minister makes the argument that if a farmer has the cash and credit to hold the crop over the winter, he will do better. The problem is that many farmers do not have the borrowing power, after having a production loan all throughout the crop season, to get this additional funding. There is no question in anybody's mind that

removing the interest-free cash advance program for many producers will destroy the program.

Perhaps with the Wheat Board and the western oats, barley and wheat, they will probably run the program with other groups like the Ontario Corn Producers and soybean producers. Where such a very small number of producers would use the program, it is questionable whether they will even be bothered running it when something fewer than 5 per cent of the membership actually use it. There is no question that this change destroys the program for many producers. In any event, if producers are in a position where they can borrow the money at the bank, the advantage, according to the Ontario Corn Producers, for those who have reasonable credit is probably less than 1 per cent.

I just thought the hon. member for Prince Edward—Hastings would be very interested in the words of Mr. Glen Findlay. I know that the minister responsible for grains and oilseeds would not want to listen to this, but this is from the Manitoba Government. The Conservative Minister of Agriculture there has called on the Government of Canada to resume making the interest free cash advances to grain producers so that they can continue to pay bills while waiting to sell their crops. He said this on September 19. In a letter to the federal Minister of Agriculture, Findlay said he was concerned that the advance payments to producers were not available August 1 when the new crop year started. Mr. Findlay wrote:

> Producers have come to rely on these programs as an essential source of farm cash flow at harvest time. I would urge you to start issuing advance payments as an immediate priority, so that cash flow problems currently felt by Manitoba producers can be alleviated as soon as possible.

It just seems to me that the Conservative Minister of Agriculture of Manitoba is making the argument that every producer group is making in this country, namely, that this is an important means of cash flow at harvest time. It helps those producers in Manitoba who have a low-quality crop. In some areas of the prairies, there has been damp and wet weather during the harvest season, and farmers end up with a low-quality No. 3 or No. 4 wheat which cannot be put into the pool system because the demand is not there immediately. In those cases, we have the interest free cash advance available. For those producers who have already suffered because of a lower-quality crop, this makes money available to them.

I am sure that if the minister would just quietly let this bill die on the Order Paper or withdraw it, he would be answering the request of Mr. Findlay. I thought perhaps the member from Prince Edward—Hastings would be interested in this communication from Mr. Findlay because I am sure it would apply equally to some producers in Ontario as well.

Mr. Vanclief: Mr. Speaker, that is an interesting piece of information because it goes along with what the other organizations are saying. I repeat, we realize the government has a majority. We realize that the government is probably going to go through with this whether anyone likes it or not, but I do not think it is fair to change the rules in the middle of the ball game. That is what many of the organizations are saying. We don't like the way the rules are being changed at all, but at least if you are going to change them, don't change them half way through the game.

I would like to quote briefly before I sit down from the September issue of the *Ontario Corn Producer* magazine and I believe the Ontario Corn Producers Association has a pretty good telephone line and pretty good communications with the minister's office. I am surprised it has not been more effective in getting its message across. I will read from it:

> At present, it remains the OCPA policy to oppose the change (at least until such time as comparable changes are made in the U.S. Farm Bill), as we believe that any benefit conferred via an interest-bearing program will be eliminated via the myriad of administrative procedures (and cost borne by producers) which this program entails.

I think that sums it up.

Mr. Mayer: Mr. Speaker, I have three brief points. First, producers. The numbers that I have here indicate that between 500 and 600 producers out of approximately 25,000 make use of the program. I do not know where he gets his numbers, but these are numbers that we have from the department for the 1988 crop year.

Second, the member gets up and reads a letter from the Minister of Agriculture in Manitoba. He wants the bill to be passed to alleviate cash flow problems. That is exactly what this bill will do. He does not say he wants the bill to be passed to save interest payments. He says he wants the bill or the program to go ahead, and I wrote

down the wording, "to alleviate cash flow problems". That is exactly what this bill will do.

To go back again, if I can, to the member from Prince Edward—Hastings, he makes the case himself. He says that for $2.41 invested, which is what the government does when it pays interest on a farmer's loan, that farmer receives $12 in benefit. What he is suggesting is that nobody is going to use this program because farmers are not smart enough to know that. That is the implication that the members opposite make.

A farmer is going to make—I forgot the numbers—over $12 for an investment of $2.41. A farmer is going to be smart enough to do that, but he cannot do that if we do not pass this bill. The cash flow is going to be there. That same advantage as far as marketing is going to be there. It is a five to one return, as the hon. member said. All we are saying is that the farmer is going to have to pay the $2.41 instead of the government.

Let us pass the bill. Let us get it out of second reading today. Let us take it to committee. Let us bring it back. Let us get it through as quickly as we can within reason. We are not talking about railroading it. Let us get it through as quickly as we can within reason so that the farmers can have a chance to invest $2.41 and make the $12 that the hon. member talks about himself.

Mr. Foster: Mr. Speaker, I rise on a question of privilege because clearly when I read from the letter from Mr. Glen Findlay, the Minister of Agriculture for Manitoba, I said that he has called upon Ottawa to resume making interest free cash advances to grain producers so they can continue to pay their bills while waiting to sell their crops. The minister from Manitoba is not saying we should pass this bill. He is saying he wants interest free cash advances.

Mr. Joe McGuire (Egmont): Mr. Speaker, going back to this government's Throne Speech opening this session of Parliament, it was not kidding when it said that agriculture is a burden to the federal treasury and that it was determined to reduce that burden in a drastic way.

• (1220)

All by itself, this government will show the world how selfless it is. The government will show the way to an unsubsidized agricultural world. It is prepared to sacrifice agriculture in Canada to show the world its good intention.

We are the only country in the world that is cutting down on the support we give to our farmers. The United States is not doing it. The Europeans are not doing it. Japan is not doing it. There is no concrete evidence that any other country is withdrawing support from its producers of food. Not only is our government withdrawing support from our farmers. It is doing so without knowing to what degree other countries, especially the U.S., are supporting their agricultural industries.

We now find ourselves in a peculiar position eight months after signing the free trade agreement. We are setting up a committee to determine what the American subsidy programs are. This is unbelievable. We signed a free trade agreement with the United States which will have a dramatic effect on our agricultural industry, both on producers and on processors, and we are making dramatic cuts through a budget without knowing to what degree the Americans are subsidizing their agricultural industry. We are just now trying to find that out.

We now know that the Americans know all about our subsidy program. Take the hog countervail action as an example. The American hog growers and the U.S. Department of Commerce know exactly how our hog industry is being assisted. Do we know how the American hog industry is being subsidized? No, we do not.

Even our tripartite stabilization agreement with hog growers which our Minister of Agriculture assured us would not be countervailable because it is an insurance program is high on the U.S. list of objections in the American countervail action. So much for ministerial assurances.

Why is our government going ahead pell mell to remove perceived irritants to the free trade agreement as it pertains to agriculture when we do not have any idea what the definition of a subsidy will be? Why is this government cutting freight rate assistance? Why is the government cutting the At and east grain and flour program? Why is the government eliminating the fuel tax rebate? Why is the crop insurance program being changed? Why are changes being made to the Farm Credit Corporation commodity-based loans?

This is what the hon. member for Prince Edward—Hastings was referring to when he said that the farmers of our country are becoming depressed. They do not know what will be hitting them next.

The potato farmer in Prince Edward Island will be especially hurt because of the fuel tax rebate cuts. Potato farming is, by its nature, a crop which uses considerable amounts of fuel when compared to the farming of other crops. Potato farmers are required to extensively use their farm tractors in the planting, cultivation, spraying and digging of their crops which necessitates the consumption of large amounts of fuel.

The cutting of the fuel tax rebate program will add thousands of dollars to potato farmers' cost of production. In just one instance, for the potato farmer who grows 300 acres of potatoes, it will cost him $10,000 more to plant and harvest his crop than it did previously.

The Farm Credit Corporation will no longer be giving commodity-based loans. We will have a situation where the U.S. government is providing its farmers with 6 per cent loans while our loan rate is from 12 to 12.75 per cent with the removal of commodity based loans. This is what our government calls a level playing field. Instead of trying to make our farmers more competitive we are making sure that they will not be as competitive.

Despite statements by this government our dairy industry with its marketing board structure is in considerable jeopardy. The first signs were this government's agreement to place a cap on the input costs for a period of 24 months. Then, in addition, there are budget cuts to the dairy export program and the Canadian Dairy Commission.

Canada finds itself in a great deal of difficulty with the preliminary GATT ruling on yogurt and ice cream. GATT nations respect bilateral agreements like the one we have signed with the United States. They usually adopt the recommendations made by their panels. Now Canada finds itself in a tight spot. The U.S. will have access to the Canadian market for its yogurt and ice cream while the U.S. will not allow Canada or any other country to export dairy products into its country by virtue of a law passed in defiance of a GATT ruling in 1954 which allowed other countries to export dairy products into the U.S.

What a mess we are making for ourselves in order to be liked by our neighbours. The government is saying that if agriculture cannot make a profit in a market-driven economy, then it has to be sacrificed. This notion is evident with the changes to the Advanced Payments for Crop Act.

The Prairie Grain Advanced Payments Act came into being in 1957-58, over 30 years ago. Why was this act passed? Obviously, the government at the time, and we all know its political persuasion, felt there was a compelling need to assist farmers, especially western farmers, in meeting some of the cash flow problems. The government of the day also saw the need to control and/or regulate the supply of grains. It wanted to eliminate the situation where there was a large glut every fall, a glut which had the effect of dramatically lowering the price to the farmer.

The Prairie Grain Advanced Payments Act resolved both these problems. By allowing the farmer to receive an interest-free advance payment, this act encouraged the farmer to withhold deliverable grains until later in the year when he could then receive a much better price for his product than he would have had he been forced to dump it in the fall.

The farmer did receive a two-fold benefit. His interest free advance allowed him to meet his cash-flow needs and he received a better price for his product. For many farmers these two factors turned a marginal operation into a viable one.

If this interest free incentive is lost we will be reverting to an intolerable situation. A farmer in Canada does not need special legislation in order to go to a commercial financial institution to borrow money and pay the excessively high current interest rates. He can do that at present on his own with his crop for collateral.

I would like to ask who will provide this extra storage space which will be required when the even flow of grain has been disrupted. Who will pay that? If the Department of Agriculture responds in the same vein as the Department of National Defence does in similar situations, the answer will be, "that is not our responsibility. We just cause these problems, it is someone else's job to resolve them". If you want evidence of this just examine the ongoing saga in Summerside.

My colleagues from Algoma, Lambton—Middlesex, Winnipeg—St. James, Prince Edward—Hastings and others have outlined the Liberal Party's position on this bill in a most competent and eloquent manner. I want to add to their commentary in a specific reference to Atlantic Canada.

In 1977, the Advance Payments for Crops Act was passed because of the excellent experience with the original act. The government extended the same basic considerations to root crops, some field-grown crops, honey and maple syrup.

This legislation, Bill C-36, which removes the interest free provision from advance payments, strikes at the very heart of the single most important agricultural crop in Atlantic Canada and that is potatoes. In the province of Prince Edward Island the National Farmers Union, the Federation of Agriculture, the Potato Producers Association of P.E.I. and the P.E.I. Potato Marketing Commission have unanimously condemned this bill. I would like to put on record some of the sentiments expressed by these organizations. I quote:

> The now-defunct interest free cash advance programs served a vital function. The program, in place for many years, was useful not only to producers but also to marketing agencies. Many producers depended on that system for cash flow during the harvest season. In some cases it was their only source of cash flow.

This is from Art Macklin, vice-president of the National Farmers Union. From a letter to the Prime Minister from the P.E.I. Potato Marketing Commission:

> Prince Edward Island potato producers are extremely disappointed and upset at your budget announcement that the Advanced Payments for Crops Act is to be amended to remove the interest-free provision. If this amendment is introduced, it will basically destroy this valuable program at a time when it is needed most. This is a serious setback to P.E.I. potato farmers and will cause real hardship this fall for potato growers facing high interest rates.

The no interest advance payments program has been extremely valuable in encouraging producers to market their crop in an orderly manner over the marketing season rather than being forced to sell early after harvest in the fall.

• (1230)

What is being proposed will have a serious destabilizing effect on the fall potato market at a time when Canada's potato industry, with the support of the federal Minister of Agriculture, is working hard at improving the present system of orderly marketing of potatoes. This is from Lloyd Palmer, the chairman of the commission.

In addition, a letter to me from the Potato Producers Association of P.E.I. states:

> Our organization was shocked and infuriated by the federal Minister of Finance's announcement to remove the interest free provision from the Advance Payments for Crops Act.
>
> The Potato Producers Association of Prince Edward Island finds the proposed amendments totally unacceptable and request you, as members of Parliament, to support all agricultural organizations in their request to have the proposed amendments revoked.
>
> Peter Van Nieuwenhuyen, President.

A letter to me from the Federation of Agriculture, Mr. Speaker, reads:

> I am sure you are aware of the importance of the potato industry to our province. However, you may not know that 40 per cent of our potato growers have been using the advance payments program. That accounted, this year, for $6.5 million in interest free advance payments to our potato growers.
>
> The change recommended by Mr. Wilson in the budget will do little to cut the national debt but on the other hand will cause great hardship for our potato growers and others, especially when today's rising interest rates are considered.
>
> The P.E.I. Federation of Agriculture is in favour of all Canadians working together to cut the country's debt, but we need a realistic approach rather than actions which harm our basic producers without helping the economy in any major way.

That is from Gary Heaney, president of the federation.

The evidence is overwhelming. The agricultural community objects in a most serious fashion to the removal of the interest free feature in the Advance Payments for Crops Act. Many farmers in this country are already having a very tough time, a time made tougher by the provisions of the free trade agreement. Why does this government want to introduce legislation to increase these hardships?

Mr. Ferguson: Mr. Speaker, I was listening with interest to my colleague's comments on Bill C-36. I listened with particular interest to the fact that the producers in Prince Edward Island want this bill withdrawn, the same as the producers in western Canada. The 17 organizations that met in Winnipeg again last Monday morning all called on the Prime Minister to have this piece of legislation withdrawn because the agreement should have been signed with the producer

organizations long ago. Those cheques should have been in the mail by now.

However, I want to ask him if he has any indication as to how long those loans are usually applied for. Is it four months out of the season, from the time of harvest until four or six months later? Does he have any indication on that? He mentioned that 40 per cent of the potato growers in Prince Edward Island use these loans. Does he have any indication as to how many would use them if they take away the interest free provisions of the original legislation?

Mr. McGuire: Mr. Speaker, I thank the member for the question. The answer is that as far as the potato growers are concerned the time they use this interest free advance payment is from six to eight months. Many of our farmers are building temperature controlled storages which enable them to hold their very perishable crop for very extended periods of time from harvest time until the following June when the prices normally go up and they can receive a better return for their product.

As I stated in my speech, 40 per cent of the potato growers use the advance payments scheme. I am told by the minister of agriculture in Prince Edward Island and by some of the producers in Prince Edward Island that they will no longer be using the program. In effect what the government members are doing is eliminating this tool from the arsenal which the potato producers have to make a viable operation of their farm. They are making it such that they will no longer be able to use it. As far as they are concerned the government may as well do away with the bill in total, because it will be of little benefit to them.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I had the opportunity to speak in the House the other day on the main motion, and now it is my privilege to be able to rise and speak on the amendment to that motion.

The fact that I felt compelled to rise again to speak on this general debate really is as a result of some of the statements which the Minister of Grains and Oilseeds made earlier in the day and when he began his remarks on this subject yesterday.

The minister said yesterday that he felt somewhat sad at the tone of this debate, that he felt bad about some of things that he was hearing coming from the opposition benches. I do not blame the minister at all for feeling sad and bad about what he is hearing from the opposition benches because the report from the *western producer* that I read into the record, which included even people from his own constituency association, reflects very clearly the fact that what he is hearing from the opposition is in fact what he is hearing from the people of Canada, from the farmers of Canada and their organizations. He knows very well that this government of which he is a part is flying in the face of farm opinion from coast to coast. If I was the minister who had to stand up and defend that I would be sad as well.

I think it is a clear indication that this government has turned its back on the farm community, that it has written off the farm community. It thinks it need only appeal to the people in the suburbs who might gain some benefit through some of the financial manoeuvring on the stock markets and so on. This government likes to encourage those who might benefit from the large pools of capital that are left floating around the country, but it refuses to collect taxes from large corporations. Certainly that is the segment of the population this government wants to appeal to and no longer the farm community which kept it alive from the time of my predecessor John Diefenbaker on.

The minister also accused the opposition, I think his words were, of making some outrageous statements about the bill that is before us. I think the most outrageous thing that I have heard is the government's defence of this bill when he accused the opposition of dragging its heels, holding up this bill and keeping farmers from getting their money. He said he hoped that farmers across the country would jump on the opposition and call us to task for holding up their money. That is just totally preposterous. I did not think somebody who is as widely respected as the Minister for Grains and Oilseeds would even make that kind of a statement because the record on this is very clear.

The reason that we are into this in the first place is that the government, on April 27, did not include in its budget the leaked document that we hung around here at night trying to take a look at, the $27 million that was needed for cash advances in this year. The government was required by statute to include that money in the budget. It is a statutory provision and the government broke that, so it was then caught in the position where

the law said it had to provide money but there was no money in the budget. It was the government that caught itself in this net. It did not seem to realize what it had done for a long time because it was not until June 26 that any mention was made at all of the situation that now faces farmers.

That bill was only introduced on June 26 and was not discussed in any way while the House was still sitting. It obviously was not urgent then. When we came back, I believe on September 26, the government realized it had botched the whole writing of that bill so badly that it could not stand scrutiny and would not even work, could not even be made operational. So the government withdrew the bill. The next day it came back with the bill that we see before us today.

If you look at this, there were 152 days between when the government broke the law by not providing money for a statutory program and the time when the government introduced the legislation that was supposed to correct this oversight. There have been eight days since then, about eight hours of which have actually been spent by the opposition debating this bill, and the government has the nerve to accuse us of dragging our heels and keeping money out of the hands of farmers when, first of all, it broke the statute and, second, it did not introduce a proper bill for 152 days.

That is just the kind of thing that the farmers of this country are not finding acceptable. That is making farmers coast to coast, including a lot of Conservative farmers, very angry with this government. I think this government is starting to feel the heat, and that is why the minister says that he feels sad.

I would in fact like to go so far as to have him discuss this with my colleagues. One way that we could get money very quickly to farmers, if we do not want to go through the whole process of debating this bill some more, having it go to committee, putting it through third reading and report stage, proclaiming it, then gearing up the bureaucracy it will take to administer this bill, is for the government to allow this amendment to pass.

• (1240)

Otherwise, even at best we are probably looking to the new year. If it is like the drought payment it could well take until March or April to get all the mechanisms in place, given the record of this government. We could get money flowing tomorrow if the government would allow this amendment to pass. I am sure that my colleagues on this side of the House would immediately approve the $27 million and the Supplementary Estimate in the same way we did for the drought program in June, to get this money flowing to farmers. I am sure I have the support of members on this side of the House for that kind of an initiative. I ask the minister to very seriously consider that.

The minister also made considerable effort to place this bill in the context of the government's over-all fiscal policy, the need to cope with the deficit by making the farmers assume part of the deficit reduction in this country. But again it was a totally contradictory approach that the minister took. First of all, he brags on the one hand that in the last year the government has spent $3 billion on the farm sector of which he is very proud, but then on the other hand he said this $27 million, which is a very key element right now for a lot of farmers' cash flow and in the operation of marketing organizations from coast to coast, absolutely has to be cut and cut right now. It just does not make any kind of sense at all.

The other argument that the minister made is that this deficit reduction has to take place because what is really killing farmers is high interest rates. That was one time when I in fact agreed with the minister. I applauded the minister for his insight in saying that, yes, high interest rates are killing farmers.

In fact they are, but it seemed very ironic coming from a minister who stands up in full support of the Governor of the Bank of Canada when he persists, in the face of virtually unanimous opinion from the forecasting and economic analysis community, the bankers and everybody, many of the government's friends, in keeping interest rates much higher in this country than they need be. In fact, the stubborn refusal to even consider changes to the interest rate policy by the Minister of Finance and the Governor of the Bank of Canada is what is killing the economy in all sectors, not just agriculture.

I cannot see how the minister can say that to lower interest rates we have to cut this $27 million when it is his own government's policy that is causing the high interest rates in this country. Furthermore, if he is that worried about high interest rates, why is he out there

supporting the grab and steal tax that his government has introduced?

The government concedes that that particular tax is going to create another 3 per cent inflation, which brings us from 5 per cent to 8 per cent inflation. You have to assume that there is going to be some way to catch up on that another 2 per cent or 3 per cent. Then we are at 10 or 11 per cent inflation.

Given the fact that this government stands behind the Bank of Canada policy of raising interest rates to counter inflation, it takes no imagination at all—in fact I think it is a very accurate forecast—to say that if inflation as a result of the grab and steal tax gets to 10 and 12 per cent we could be looking at 18 to 20 per cent interest rates within the next year or within a year of that tax being introduced.

It is totally preposterous for the minister to suggest that farmers have to eat this $27 million to lower the interest rates when both their interest rate policy itself and their approach to the grab and steal tax are going to raise those interest rates.

The minister failed completely to deal with the whole question of fairness that is involved in this matter. He went so far as to say that it is going to enhance orderly marketing and so on, because there are all these farmers out there who refuse to go out in 40 below weather in the morning to shovel out their augers and tractors and get their machinery running to shovel grain.

He is saying that these are the people who are destroying the orderly marketing system and that they have to be brought into line by making them pay interest on cash advances. That is one of the most outrageous statements probably ever made by a Minister of Agriculture in this House. I am looking forward to sending out copies of *Hansard* to farmers in my constituency and to other farmers I know in the country, so that they can see what the minister's analysis of the orderly marketing system is. There is an inherent unfairness to this and it has been pointed out by many members but it does not seem to have penetrated into the minister's thinking in any kind of way.

As has been clearly outlined—and nobody denied it; certainly he did not—the grain handling system only has capacity for less than 40 per cent of the grain that is produced in any one year. Therefore, 60 per cent of the grain cannot in fact, no matter what the business climate, no matter what the intentions of the farmers, enter that grain handling system when it is taken off the fields.

What the minister is in fact saying is that those people who get their crop off earlier, or happen to have harvested grades of wheat that are currently in the shipping program of the Canadian Wheat Board or other marketing organizations, can obviously get cash up front because they can sell their crop for cash. Those farmers who have a late harvest because of adverse conditions, which it often is in the part of the country that I represent, the northern prairies, cannot get their grain in; the elevators are plugged.

Or perhaps, as is the case this year again, there is an awful lot of feed wheat and very poor quality grain on the prairies for which the Canadian Wheat Board has not developed a marketing program because it did not know it was there. The demand is there for high quality wheat, so the people who have the high quality wheat can get their money up front; but the people who harvested late and are already in trouble, already have poor grades of grain, are going to be out of luck. They are going to have to pay interest solely for the reason that there is not room in the elevators and because they had a poor and a late crop.

How can the minister say that in any way that is fair? In the same way that discriminates against farmers geographically. The most classic example, ironically, is in his own province. In Saskatchewan and Alberta grain farmers have the advantage of being able to ship grain through the ports of Prince Rupert and Vancouver. That is always an option. There is a well developed grain handling system that heads off to the west coast. That system has ice-free ports and can function right through the winter.

However, for Manitoba producers it is a much different situation because their grain gets shipped out through Thunder Bay which has a long shutdown through the winter, which means that Manitoba farmers have no marketing option at all and no delivery option at all. Once the elevators are full and the port freezes up that system shuts down, so the very producers who he represents are the ones who are going to be hit the worst by this. It is no wonder that an executive member from his own constituency association rises at the Conservative convention and says his chances of re-election are slim and nil. I think it is very clear from this kind of an

action that he is ignoring the interests of the farmers who are, in fact, his very neighbours.

Similarly the government's initiative in the budget to cut all funds for branch line rehabilitation, even those rail lines like those in my constituency where there had already been a public investment in upgrading the road bed, putting down ballasts and putting down ties when all they needed was heavy steel. The government said that it is going to waste the money which has been invested in that till now by not adding the little bit of additional money that it takes to put on heavy steel.

That just perpetuates even more the rationalization of the grain handling system which had been occurring over the last number of years and has in fact been hastened, with all due respect, by my colleagues from the Liberal benches. The removal of the Crow rate was certainly a factor in the rationalization of that railway system. Nevertheless, no matter whose fault it was, it has occurred, which means that people who live on the railway mainlines which are the ones that get all the investment and all the attention have elevators and local delivery points to which they can deliver virtually at any time, because those trains are moving through there every day taking grain out of those elevators. However, the people who live off those lines on branch lines, especially in communities where there are no more branch lines and are already hauling a long way, do not have a similar delivery option.

The minister is saying to farmers who live far away from the main lines—and we are talking here in some cases of hundreds of miles—that they have much less of an opportunity to sell their grain and to pocket the money for their grain at the time of harvest and to make a quick delivery than do people who live far away from the branch lines.

• (1250)

I know my time is starting to run out here, but there is one more point that I would like to make in relation to the minister's comments.

The minister from time to time has talked about, has in fact asserted, that farmers are clamouring for this bill to be passed, indicating I suppose that he has been in some kind of consultation with the farmers. That is the farthest thing from the truth. This government's record on consultation in the agriculture field is just dismal and getting worse.

Certainly we saw that earlier in this session when this whole issue of taking oats out of the Wheat Board came forward. There were even polls done by the Conservatives own pollsters, Allan Gregg and Decima Research, which indicated that 70 per cent of the farmers did not agree with the minister's initiative on that particular matter. Farmers, including many good Conservatives, stood up by the hundreds at meetings all over the prairies out and out condemning the government's initiative, but the government never listened at all.

In this case we have documented here not only some of the large organizations like the Saskatchewan Wheat Board, the National Farmers Union and the Federation of Agriculture, but even the very organizations that supported the government on free trade and supported it on taking oats out of the Wheat Board, organizations like the Western Canadian Wheat Growers and the Canola Growers. They have out and out condemned this legislation. They are not calling on the opposition to let this thing go through quickly. They are calling on the government to stop this legislation in its tracks and bring back the old bill whereby they can have cash advances immediately, interest free. All those organizations are calling on the government to do that, but the minister is not listening.

In conclusion, can the minister identify one other sector in the economy in which this government totally ignores opinion in the farm community right across the country, across the political spectrum? Is there any other sector where the ministry so totally ignores the opinion of farmers and their representatives as the government has on this particular measure? I invite the minister to respond to that.

Mr. Milliken: Mr. Speaker, the hon. member for Prince Albert—Churchill River has made a very eloquent address and indeed his summary of the events leading up to the introduction of this bill was erudite, succinct and extremely accurate.

I think he will agree with me when I say it showed the fumbling and bumbling that has characterized this government in its failure to get the legislation in order. It adjourns the House and then expects us having had a lengthy adjournment to rush back and pass everything with no debate and to allow this kind of dreadful legislation through without proper discussion. The hon.

member, I think, was very clear in his explanation of how the government did that.

We in the opposition very much appreciate support from the third party in this House. We know that his party has been very good in assisting us in our opposition to this particular legislation. I know the hon. member for Kamloops shares my views. The thing that made we wonder when listening to the hon. member's speech—and as I say he spoke very well—is whether the voters in Saskatchewan do not read "Liberal" when they see "NDP" on the ballots, because everything he said we in this party have agreed with and indeed suggested in this House on a regular basis. I commend him for his comments.

Having said that, I would like to pose a question to the hon. member. I see the hon. member for Maclead on the other side. He must be very nervous about seeing this kind of legislation go through because his friends and neighbours would not approve of this bill.

Two-thirds of the money formerly spent under this bill, according to the minister's figures, were spent in western Canada. Those moneys, I am sure, were going into the riding of Macleod and indeed throughout the province of Alberta in a big way. Here they are being taken away by members of this government through this attitude that is in my view improper. They have an obligation to pay this money out under the existing legislation. They cannot assume, as they are doing, that this bill is going to pass this House. Indeed, if the members from Alberta and the hon. member for Winnipeg South would get on their hind legs and oppose this legislation, as their friends, neighbours and constituents I am sure would wish them to do, and vote against this bill it would not pass this House. Then we would not get this dreadful legislation in Canada and the government would have to dole out the money under the existing legislation as it is required by law to do.

I must say I was pretty astounded when I saw them applauding this legislation as the Minister of Agriculture made a speech introducing it the other day. One can only wonder whether or not they are accurately representing the views of their constituents, whether they are doing the job that the hon. member for Prince Albert—Churchill River is doing in representing his constituents' views today.

Does the hon. member not agree with me that the other members of Parliament from Manitoba, Alberta and Saskatchewan in particular are going to have their constituents' rights destroyed if we pass this legislation? Is this legislation not going to take out of their hands two-thirds of $27 million or about $18 million as I calculate it? Is this legislation not going to take that $18 million right out of their pockets and thereby deprive them of the sustenance and the livelihood to which they might have otherwise been entitled? Does he not think that is an outrage?

Mr. Funk: Mr. Speaker, I very much appreciate that question from the hon. member for Kingston and the Islands. In fact it takes a bit of the pain away from the fact that he defeated a very talented and excellent candidate for the New Democratic Party in his constituency, Major Len Johnson, who in fact was born and raised in my constituency in the Prince Albert area.

Because he is from central Canada and perhaps has not had the exposure to the politics of the west, I would like to tell him that the reason that people in the west in fact support the NDP rather than the Liberal party in many cases is that they are very progressive people and they have found through experience, especially in Saskatchewan, that they do not have to recycle these progressive ideas through the Liberal party in order to get them implemented. In the west we have demonstrated that the NDP does a much better job of implementing them.

An Hon. Member: But you don't get in.

Mr. Funk: Well we certainly have there. We certainly formed some successful governments in western Canada and I think people there appreciate that. Hopefully that is something that we can extend from coast to coast. I suspect a fair number of the members now sitting as Liberals would in fact applaud that and might well want, at some point or other, to consider joining us in that effort.

The question, however, was a good one because it had to do with the pressure that the government members opposite I know are getting from their constituents. Those constituents are very angry. They know exactly what is happening to them and they expressed it very

clearly at the Conservative convention, but it seems the government's policy is to ignore its own convention.

The government is taking money out of the pockets of farmers. Furthermore it is not only the 18 million bucks or the 27 million bucks, but the farmers of Canada know very well what this government means when it starts talking about market driven and self reliant. That means this government is planning to leave farmers high and dry in this country and farmers are not going to put up with it, including Conservative farmers.

Mr. Deputy Speaker: We have a very short time for questions and comments from the minister.

Mr. Mayer: Mr. Speaker, I want to make three brief points. There has been reference today and yesterday to the fact that the government, if not directly stated certainly implied, is breaking the law by not providing cash advances under the present legislation.

Hon. members I know would not want to mislead the House. That is not the case. The legislation says that under certain conditions the minister may provide cash advances. It does not in any way state that the minister shall. So let there be no illusion. There is no law being broken by cash advances not being available because the legislation says the minister may.

Second, the member said that we are the only country in the world to reduce expenditures on agriculture. The hon. member should know that the U.S. is proposing to reduce expenditures on agriculture by something like $1 billion. To the extent that he makes the point, that is certainly not accurate.

Last, the New Brunswick potato agency, as I understand it, has indicated that it will make use of this program once it is passed with interest payable, and the potato people in Prince Edward Island where the hon. member comes from have been non-committal. They have not said they would not use it; they have not said they would use it, the point again being that the sooner we pass this legislation the sooner farmers will have the opportunity to have cash advances once again.

Mr. Deputy Speaker: A very short reply from the member for Prince Albert—Churchill River.

Mr. Funk: Mr. Speaker, the minister may well be correct with regard to the technicality of the law but western farmers assumed that when John Diefenbaker told them in 1957 that this money would be there every year, that it would be there, and I think the minister should remember the moral obligation that John George Diefenbaker left upon the Conservative Party when he introduced this legislation originally.

Mr. Deputy Speaker: It being one o'clock I do now leave the Chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

VIA RAIL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, our most famous transcontinental train, the Canadian, was created as part of the terms of entry of British Columbia into Confederation in 1871. The transcontinental route is not a frivolity; it is a constitutional commitment made to the people of British Columbia.

The geniuses in cabinet apparently believe that they can dishonour that commitment to British Columbia on economic grounds. They should, however, have read VIA's annual report that says on page 10, "The Canadian, our western transcontinental train—this one train generates $100 million for the tourist industry each year".

They should also have read the official cabinet background document tabled here yesterday before they cut the Victoria–Courtenay route. That document says that the Vancouver Island service will increase by 42 per cent in riders. They cut a route which their document says will produce a profit.

Only a Conservative Government would break a constitutional commitment to British Columbia and, in the process, destroy two train services which generate millions of dollars in profit.

Sir John A. Macdonald, the first Conservative Prime Minister and the first Prime Minister of our country, must be spinning in his grave.

VIA RAIL

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my topic is appropriate.

The VIA Rail cutbacks recently announced were painful and disappointing to many Canadians. As difficult as they are, I support the minister's approach to both maintain national passenger service and to address the tremendous cost of VIA to the taxpayers.

No matter what we do as families, businesses, or government the costs must be weighed. At a cost of $5,000 million to the taxpayers over 12 years I agree the changes just had to be made.

People in my riding are insisting on cuts in government spending and I agree with them. To me, our debt of $350,000 million is a threat to all of us. It must be addressed and not conveniently swept under the carpet.

* * *

PROPOSED GOODS AND SERVICES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, yesterday in Quebec the Minister of Health and Welfare threatened that social programs will be jeopardized unless a 9 per cent goods and services tax is implemented. He admits more money was spent this year on reducing the deficit than on social programs. This former Minister of National Defence who was willing to spend billions on nuclear subs now indicates he is willing to reduce the deficit on the backs of pensioners, the disabled, the sick and the unemployed.

Instead of using blackmail threats against the provinces and others who oppose the GST, he should press the government to implement progressive alternatives to reduce the deficit. The government could begin by reducing interest rates, introducing a corporate minimum tax, taxing capital gains 100 per cent, and eliminating unfair tax breaks.

As Minister of Health and Welfare he must maintain and improve Canadian social programs, or he should resign.

[*Translation*]

DRUGS

Mr. Marcel R. Tremblay (Québec–Est): Mr. Speaker, October 3, 1989 was a most important day for the people of Vanier, a community located within the riding of Québec East. On that day, the Vanier Police Department launched a drug prevention program under the honorary chairmanship of Guy Lafleur, a well–known and much–esteemed hockey player. Under the theme "Drugs—No Future", the Vanier police are calling on young people from 5 to 20 years old to join them in saying no to drugs.

Mr. Speaker, this initiative involves activities in schools, social clubs and youth groups. This terrific project brings together a whole team to fight drugs and to educate the young people of Vanier and make them aware of the problems and dangers of using alcohol and other drugs.

Thanks go to the Vanier police, the City of Vanier, the Knights of Columbus and the Nordiques hockey team who are pooling their energies for the health and welfare of our youth!

* * *

[*English*]

ORGANIZATION OF AMERICAN STATES

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, the same mismanagement, incompetence and disrespect for Parliament that the Prime Minister has shown with respect to our transportation policy such as cutting VIA, with respect to the taxation policy and the introduction of the GST, both decisions made without consulting this House or the people of Canada, he is now showing on the international scene.

I drew to the attention of this House recently concerns about the Prime Minister's expected decision to join the Organization of American States. Our party has repeatedly requested that he put off making any decision until we have heard from our NGOs and from the people of Canada.

To date, neither the Prime Minister nor the Secretary of State nor the chairman of the standing committee on

external affairs have given any indication that prior to making this decision they will hold full hearings into this drastic change in Canadian foreign policy.

Once again, and I cannot stress strongly enough how important this is, I urge the Prime Minister to hold off making his decision until we have had an opportunity to fully explore and discuss the pros and cons of Canada becoming a full and active member of the Organization of American States.

* * *

SIX NATIONS RESERVE

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, the residents of the Six Nations reserve are facing a crisis in their community.

Over 1,200 elementary school-age children of Six Nations have not been able to start school this year due to unsafe and unhealthy conditions at the school facilities. These include: asbestos in the schools, failure to meet fire code standards, failure to meet safety standards, inoperable and unsafe windows and doors, unsafe water and drainage systems, and inadequate washroom facilities.

It is unacceptable that the federal government which does an annual assessment of schools and which has declared each year since 1985 that the safety and health standards are deficient does nothing to improve these conditions and, indeed, allows Six Nations' children to attend schools slated for demolition.

The federal government has breached its responsibility to Six Nations. The government is neglecting basic human rights.

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PATENT ACT

Mr. John E. Cole (York—Simcoe): Mr. Speaker, on October 1, fundamental changes to modernize Canada's Patent Act which were passed by Parliament in November, 1987, came into effect. The new act is an important element of this government's program to boost science and technology and to make Canada a strong competitor internationally.

As we all know, keeping abreast of new technology is critical to business success here at home and in the global market-place. That is why these changes were specifically designed to speed the transfer of technological information to the Canadian business community, thereby encouraging innovation and increasing productivity.

Among the big winners will be small and medium-sized businesses which do not have the capacity to conduct their own research and development. The new act will more quickly put the latest technologies from around the world at their fingertips.

We have also taken important steps in the interest of Canadian inventors. On October 2, the day after the new Patent Act came into effect, Canada ratified the Patent Co-operation Treaty. This treaty provides Canadian innovators with the means to more effectively protect their inventions abroad.

Finally, in the years ahead, this government intends to build on the changes to Canada's new Patent Act with the multi-year program to automate the patent office. Eventually, companies across Canada will have direct access to the largest collection of technological information in the country, the Canada Patent office.

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NATIVE CHILD CARE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, during the first week of August the Ministers of Indian Affairs, National Health and Welfare and the Prime Minister received a copy of the Assembly of First Nations inquiry into native child care. To date the only response they have had from the Tory government is silence.

This study, funded by a grant from the Child Care Initiative Fund, found less than 70 child care centres operating in the 1,000 First Nations communities. Most, if not all, are understaffed and/or ill-equipped to meet the needs of native children.

Up until the day of the infamous budget leak, native leaders were assured that the money for the native child care initiative, $60 million, was not in jeopardy. It had been approved by Treasury Board. It was separate from the Tories child care initiative. Native leaders were dismayed to learn that this government made a conscious decision not to fund child care services for their children.

While $60 million does not meet the demand for native child care services, they feel it is a first step, a sign of a commitment.

I urge the Minister of National Health and Welfare to respond to the Assembly of First Nations inquiry, to listen to native people and to respect their choice for child care services for their children. The time for study is over. The time for action is now.

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ROYAL WINNIPEG BALLET

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, last night's gala performance of the Royal Winnipeg Ballet was a tremendous and exhilarating event. A celebration of 50 years of entertaining people through the finest of ballet, interpreting a story, theme, or rendering emotions through the artistry of dance and music brought the packed audience to a frenzied excitement.

I am sure that all members of Parliament would want to praise the Government of Canada for its wonderful initiative in supporting the Royal Winnipeg Ballet. The funds will be used to defray some of the costs of activities marking the dance company's fiftieth anniversary.

• (1410)

Founded in 1939, and given its Royal Charter in 1953, the Royal Winnipeg Ballet is the oldest dance company in Canada. It is appreciated for both its classical and modern repertoires. Two famous graduates of the Royal Winnipeg Ballet School have been award winning Evelyn Hart and the late David Perigrine.

The Royal Winnipeg Ballet, which will be on tour for 20 weeks this year, is known for the number of visits it makes abroad and for the immense success of these visits. A gold winner in Paris, Varna and Tokyo, the company has earned an international reputation.

[*Translation*]

I take this opportunity to wish the Royal Winnipeg Ballet much success in the next 50 years.

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[*English*]

VIA RAIL

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the Draconian cuts announced yesterday by the Minister of Transport constitute yet another arrogant and abusive Tory tactic to destroy one of our national institutions. Why else would the Minister cut early morning train service from Canada's fifth busiest station, Kingston, to Canada's largest city, Toronto? This is a service that carried over 76,000 passengers last year according to the minister's own figures. Why else cut this train that serves Napanee, Belleville, Trenton, Port Hope, Cobourg and Oshawa? Why else cut redcaps who help the elderly, the infirm and the handicapped?

The cut of the Kingston–Toronto train makes it impossible for someone from Kingston to go and spend a day in Toronto and return on the same day. It is regressive. It is stupid. It will lessen travel in the corridor, travel that the minister in his statement yesterday admitted was vital for the future of VIA Rail.

The minister's announcement that VIA is for sale represents the total dismantling of a major Canadian asset owned and operated by Canadians. The Minister should be ashamed.

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VIA RAIL

Mr. Al Johnson (Calgary North): Mr. Speaker, yesterday the Minister of Transport made one of the most courageous moves in the history of Canada. Through the restructuring of VIA Rail he has taken the first major step toward developing a rational transportation system in Canada.

While some people in Calgary may be disappointed at the reduction in their service, virtually all understand and applaud the minister's efforts to cut spending and reduce the deficit.

We hope now that the minister will do everything in his power short of introducing new subsidies to facilitate and encourage the introduction of private enterprise solutions that will expand and vastly improve rail transportation to and from Calgary.

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COMMENTS OF FINANCE COMMITTEE CHAIRMAN

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, the chairman of the finance committee has reached a new low. Yesterday, he managed to insult the entire population of western Canada.

Who is this man to go into the province of Alberta and in response to serious and thoughtful concerns over the proposed GST, say, "I have never seen such stupidity in all my life"? Where does this man get off telling Albertans, "I wonder what they are, out to lunch". What gives the chairman of the finance committee the right to come from Metropolitan Toronto to western Canada and say, "I fail to understand how the level of education could be so low in the community". Why does the Member for Mississauga South remain in his job after commenting, "I guess what we ought to do is send a bunch of grade 5 teachers out here".

We in the west have had enough of this man's insults, his arrogance and contemptible behaviour. He owes us an apology. Better still, he owes us his resignation.

* * *

HOUSING

Mr. Jim Karpoff (Surrey North): The Minister of Housing again is backing away from the positions of principle he took when he was a back-bencher. First, he agreed that the government had failed to provide affordable housing. Then he stated that the 30 per cent of income for housing is no longer a realistic figure. Now the minister says affordable housing is not a national priority.

How can he say that housing is not a priority when 1.2 million children in this country live in poverty, poverty often caused by the lack of affordable housing and high rents? How can he say that affordable housing is not a priority when the Canadian Real Estate Association says there are major affordability problems, not just in Toronto and Vancouver but in 27 areas of Canada.

This minister continues to be an apologist for the government's shameful lack of commitment to providing housing for Canadian families. This minister continues to make explanations in the House for his outlandish statements that are not believable.

Those in need of affordable housing and housing organizations have reached their limit of frustration with this minister's cavalier statements and his lack of action.

VIA RAIL

Mr. Ross Stevenson (Durham): Mr. Speaker, the announced cancellation of the VIA Toronto, Peterborough, Havelock line through an area of rapid housing development has put the future of public transportation in the area in jeopardy. Spokespeople for GO Transit have stated that GO would be interested in the route as early as 1993.

Yesterday, the Minister of Transport stated a willingness to have discussions with the Government of Ontario about the future of the Toronto–Peterborough line. I urge the Minister to request his officials to initiate negotiations immediately with their Ontario counterparts. The objective would be to develop an interim plan to continue passenger rail service on the line until such time that GO Transit would inaugurate permanent service on its own initiative.

* * *

AGRICULTURE

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, farmers across this country, particularly in western Canada, depend upon the co-operation of the Canadian Government to ensure success in their farm operations.

The advance payments program is an important part of the co-operative relationship between our farmers and Canada's government. The Minister of Agriculture is committed to passing legislation that will provide advance payments for our farmers.

However, the Liberal Party of Canada, in its political wisdom, has chosen to put a road-block in the path of the minister's efforts to help our farmers. Canadian farmers will not tolerate political games by the Liberals.

Our farmers are important. Let us work together in this House to help our farmers. Let us pass the advance payments bill so farmers can get on with the business of farming.

ORAL QUESTION PERIOD

[*English*]

VIA RAIL

Right Hon. John N. Turner (Leader of the Opposition): My question is for the Prime Minister.

Yesterday the Minister of Transport said, and I quote from the transcript, "The results of our study are clear. The restructuring of VIA will have a minimal effect on the environment. It will not result in substantial increases in energy consumption and emissions". That is what the minister said.

I want to refer the Prime Minister to the official document which formed the basis of the cabinet decision and which was tabled yesterday by the minister in the House of Commons. It is entitled *Review of Passenger Rail Transportation in Canada*. At page 110, this is what the document states: "The elimination of passenger rail service would result in an increase in fuel consumption by 63 million litres in 1990 and increase pollution; 62 per cent of VIA's passengers would be diverted to automobiles and 12 per cent to airlines. These two modes are far less fuel efficient and generate more pollution".

I want to ask the Prime Minister this, in view of what the official document says, slashing VIA Rail will have a negative effect both on energy consumption and on pollution, will he tell us whether when he approved the decision he had read the official document?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I maintain what I said yesterday. The Department of Transport did a preliminary study on the impact of the new VIA Rail network, and this study gave us the assurance that the environmental impact of the new network would be negligible. That is why we saw no need for an in-depth inquiry into the environmental implications of the new VIA Rail network.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I was quoting from the official document tabled by the Minister in the House yesterday to justify his decision. He cannot contradict what his own document says.

For months, the Prime Minister and the Minister of Transport kept saying that we had to wait for the official documents. No rumours, no gossip!

Now I would like to quote from the French version, at page 111, because the Minister of Transport said yesterday that chopping half of VIA Rail would eliminate only 2,761 jobs. Here on page 111, we read that in 1988, VIA contributed $860 million to the Canadian economy. Tourists who travelled by train spent $660 million more, which represents 57,000 jobs.

A little further, Mr. Speaker, on page 114, we read that eliminating passenger trains would be a permanent drain on the Canadian economy.

Could the Minister or the Prime Minister inform the House whether they read the official document?

• (1420)

Mr. Bouchard (Roberval): Mr. Speaker, we are of course aware of the contents of the official documents, and I still maintain that establishing the new VIA Rail network represents 2,76 lay-offs. From the way the Leader of the Opposition read the document, one got the impression that a large number of jobs are related to tourism. I agree, but people or tourists are not going to stop travelling tomorrow morning because in some cases, certain parts of the railway network have been abandoned. They will use other means of transportation and they will continue to invest in Canada, Mr. Speaker, and we will have a national network, a network that for the first time in many years Canadians will be able to afford.

[*English*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, the minister can waffle all he wants. I am reciting the official document prepared by VIA Rail which formed the basis for the cabinet's decision and which he tabled yesterday to justify the cabinet's decision.

I would like to read another section. Does the Prime Minister or minister know that this official document tabled yesterday has this to say at page 103

"People over 60 and people with family incomes under $30,000 tend to travel by rail more than the total population. In general, people with modest incomes such as the elderly, young and the people from economically

depressed areas have less access to automobiles and a greater need for economical public transportation such as the train."

Has he read on page 9, Mr. Speaker, where the document has this to say:

"Cutting VIA Rail will represent a serious hardship particularly for the elderly, the handicapped and people travelling with small children."

How does the minister justify this decision which has such an unequal economic and social impact on the people of this country?

[*Translation*]

Mr. Bouchard (Roberval): Mr. Speaker, the document to which the Leader of the Opposition reffered was prepared by VIA Rail. It was submitted by the VIA Rail Corporation. It is a study, a document we used as reference, but in fact the Department and the Government consulted a series of documents concerning the decision to be made.

Mr. Speaker, I repeat that this document does not make any recommendations to the Government. We have considered it, but our decision to establish a national network commensurate with our ability to pay will not change. That is the kind of network we opted for yesterday and I am proud we did, Mr. Speaker.

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the Prime Minister. It is interesting to note again that while the government is cutting 2,700 quality jobs with VIA Rail which will lead to the loss of another 6,000 jobs in related industries, it is proposing to hire 3,000 tax hounds to enforce the governments goods and services tax. That is Tory logic.

There are still one million unemployed Canadians in this country. There are still 1,200 CN workers in Moncton who are out of work due to government policies. The government is introducing these cuts at a time when the Minister of Finance is predicting an 8.5 unemployment rate in 1990, and at the same time the government is cutting unemployment insurance.

Will the government suspend these VIA Rail cuts not only until the transport committee reports but until the government comes forward with a plan to retrain and/or to re-employ these VIA Rail workers in quality jobs, and to do it now and to put that plan before Parliament?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend places this in the context of job creation and employment. I think it is important—

Mr. Gauthier: Yes, jobs, jobs, jobs. Since this government was sworn in 1,555,000 new jobs have been created.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Inasmuch as my hon. friend is interested, the unemployment rate in Canada has fallen from 11.6 per cent since the day my hon. friend left the ministry to 7.4 per cent in Canada today. Almost 60 per cent of those jobs created have gone to women and there has been greater job-creation for minorities across Canada.

It is true, obviously, that when there are lay-offs it is up to the government through retraining programs and severance packages to make sure that the employees are dealt with with the greatest of consideration.

I am informed by the Minister of Transport, and others who have examined this, that the severance package available to VIA Rail employees who will be affected by this decision is among the most generous ever initiated by Canadian industry.

Mr. Allmand: Mr. Speaker, the Social Planning Council of greater Toronto points out that 90 per cent of those new jobs are in low-paying service industries.

[*Translation*]

Mr. Speaker, a third of these jobs eliminated by VIA Rail will be in Montreal, where the unemployment rate is now 10.7 per cent. These cuts will result in 3,000 more jobs being lost in related industries in Montreal. Other companies have recently shut down in Montreal, including Vickers, Gillette, etc.

My question is: What plans does the Government have to replace all those jobs lost in Montreal, especially the quality jobs like those that will be lost at VIA Rail? Montreal wants action now, Mr. Speaker!

Mr. Mulroney: Mr. Speaker, my friend mentions—

[*English*]

Ms. Copps: Social Planning Council.

Mr. Mulroney: The Toronto Social Planning Council. I have not read the document. But perhaps my hon. friend would be interested, inasmuch as they predicted job losses this year, that since January 1 this year there have been 209,000 new jobs created in Canada, and 95 per cent of them are full-time jobs.

[*Translation*]

As for Québec, 344,000 new jobs were created since September 1984, compared to a net loss of 30,000 jobs under the Liberal Government.

In Montreal, 127,000 more people were on the labour market in 1988 than in 1984. Montreal's unemployment rate is 8.7 per cent, down from 11.3 per cent in September 1984. That is tremendous progress! We realize that there are serious problems in Montreal and we will deal with them seriously, in order to solve them permanently, as much as possible, for the benefit of all Montrealers.

[*English*]

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, yesterday, VIA Rail's business plan that was released by the Minister says the Atlantic maintenance centre will be closed. In this House yesterday the Prime Minister said it will remain open.

Given that the maintenance centre is designed to service the RDC trains which currently run on the now to be shut down regional Atlantic routes, and that the transcontinental trains are serviced in Montreal, is he now planning to shut down operations in Montreal? Which is it, people out of work in Halifax or in Montreal?

Mr. Bouchard (Roberval): Mr. Speaker, the Prime Minister said yesterday, as I said, that the Halifax maintenance centre will be maintained. I also said the discussions are ongoing with the president and chief executive officer of VIA Rail to see how the operations of the maintenance centres will be managed. That is exactly what we are doing.

Mr. Angus: Mr. Speaker, the Minister in his opening statement at the press theatre yesterday said that the details should be left to Mr. Lawless to tell us. Obviously the two did not have their act together because they are saying different things in different documents.

• (1430)

My supplementary question is for the Minister of Transport. Yesterday in the House the Prime Minister said very clearly that the cost to the taxpayer of the rail system in the corridor was $100 per passenger. The actual cost is $15.77 per passenger. I ask the Minister of Transport to indicate to the House which is the accurate figure in terms of the subsidy level paid by the Canadian taxpayer—the one of the Prime Minister's or the one that shows up in his documents?

Mr. Bouchard (Roberval): Mr. Speaker, my friend should be serious. He said $15. The average in Canada is $110. He speaks about the corridor, but he should say that on some routes in British Columbia it is $483 for every passenger on a train.

I believe we have to repeat. This network we propose is a national one but also an affordable network. If we listen to what is said by our friends in the NDP, we will expend money we do not have and we will kill VIA Rail. We will keep VIA Rail alive, but what we must have is a reasonable, affordable, national, and sustainable network now.

[*Translation*]

Mr. Robinson: Mr. Speaker, my supplementary is directed to the Prime Minister. On August 19, 1988, three months before the election, the Prime Minister appeared before 1,000 residents of the riding of Saint-Hyacinthe, on the platform of the station in Acton Vale, and reminded them that it was his Government that saved the passenger rail service between Sherbrooke and Montreal after the Liberal cutbacks. Yesterday, the Prime Minister did an about face and announced that this very important service, whose ridership increased by 6,000 between 1987-88, had been cancelled. My question to the Prime Minister is this: Why did he mislead the people of Saint-Hyacinthe and the people of Quebec about the future of their railway service, just to get their votes?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member is wrong, because although it is true there have been cuts in the service between Montreal and Sherbrooke that includes a stop in Acton Vale, I can inform the Hon. Member that Canadian trains on the Montreal-Sherbrooke route will continue to stop three days a week in Acton Vale.

[*English*]

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw the attention of the House to the presence in our gallery of His Royal Highness Prince Mohamed Bolkiah, Foreign Minister of the Sultanate of Brunei.

Some Hon. Members: Hear, hear!

* * *

TRANSPORTATION

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Prime Minister. Over the last two days the Prime Minister has demonstrated that he does not care about increased traffic on our highways, he does not care about the environment, the poor, the elderly or the thousands of people who are going to lose jobs.

I want to ask the self-appointed czar of the free market system in Canada about competition. The government's official document that we were asked to await, *Review '89*, states that air fares are going to increase by 30 per cent over the next 24 months and that the loss of rail passenger service is going to accelerate that trend toward higher air fares.

What steps, if any, does the Prime Minister intend to take to protect Canadians from being gouged by increasing air fares or if, indeed, the elimination of VIA Rail passenger service is part of the package to ensure that the privatization of Air Canada is a financial success?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the minister has already spoken and, as time goes on, will respond to all members in respect of various alternatives that would be analysed. Indeed, I think my hon. friend may even eventually agree that the royal commission that we are proposing on passenger service and transportation in the 21st century will turn out to be a very viable and important instrument for Canada.

I regret that my hon. friend has little use for my views on transportation and refers to me as a czar. Perhaps he would be interested in the views of someone closer to his ideology and views, a man with a great deal of expertise in this area who sat as Minister of Transport in the Liberal government.

This morning Jean-Luc Pepin, interviewed on *Morningside*, said: "But the truth of the matter is that we have seen four revolutions since the advent of railways: the revolution of the automobile, the revolution of the bus, the revolution of the plane, and the revolution of electronics. There is no way we could have kept the railway system we had in the 19th century, no way at all. We had to adjust. That's what we are doing now".

Some Hon. Members: Hear, hear!

Mr. Tobin: Mr. Speaker, with the greatest of respect to the Prime Minister and his new found friend, Mr. Pepin, we rejected that gentleman's views in 1982, 1983, and we reject them now.

Some Hon. Members: Oh, oh!

Mr. Dick: You didn't reject them in 1982-83.

Mr. McDermid: Explain.

Mr. Speaker: The hon. member has the floor.

Mr. Tobin: The very last paragraph of the government's own long awaited official document says: "Passenger rail is one of the safest modes of travel. If passenger rail is eliminated most travellers will be diverted to the automobile and fatalities will increase".

Why is the Prime Minister, according to the government's own estimates, dumping 2.7 million Canadians who rode the rails in 1988 on to the highways, highways that are already congested, dangerous, and too often fatal.

Mr. Mulroney: Mr. Speaker, I think that the very distinguished Minister of Transport has responded quite fully, already, to many of the concerns raised by my hon. friend and in point of fact has indicated a series of inquiries and initiatives that will define for Canada the kind of transport policy that we need and that my hon. friend seeks for the citizens of his province and for Canada.

Mr. Tobin: We don't have a train in Newfoundland any more, Brian, thanks to you.

Mr. Mulroney: My hon. friend mentions Newfoundland and the passenger service. I notice that he was quick to repudiate a very distinguished member of his party, Mr. Pepin, a former minister of the Crown.

I wonder if he would repudiate those members in his party of the government of 1967, when the Liberals introduced action to eliminate passenger train service in Newfoundland.

Mr. Tobin: I did, absolutely.

* * *

VIA RAIL

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Prime Minister. For those Canadians who lost rail passenger service yesterday the prime concern now is: Is rail abandonment going to follow, especially since the president of CN was named the president of VIA Rail and given the job of recommending what routes should be cut thereby enhancing his own argument for rail abandonment?

Will the Prime Minister, knowing the importance of rail freight service in eastern Nova Scotia particularly Cape Breton, unequivocally assure the residents of eastern Nova Scotia that the rail line there will not be abandoned?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the National Transportation Act gives to the Governor in Council the ability to determine the policy concerning branch line abandonments. We know at the present time that CN and CP have made many requests to the NTA for the abandonment of branch lines.

• (1440)

Those proposals will be considered very carefully. I understand the concerns that my friend has, particularly on the section between Sydney and Halifax. It is something that I will consider once again very carefully, and we will do the best we can to maintain the best freight rail service in the country.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister of Transport.

Yesterday's announcement on VIA Rail is a plan that will undoubtedly separate Canadians geographically, economically and socially.

I want to ask the minister whether or not he is aware that the termination of the Halifax–Sydney route will negatively affect the tourism industry, that it will deny Cape Bretoners the opportunity of good health care in Halifax, and that it will prevent students from affordable, reasonable transportation costs to pursue their education?

Will the minister explain to the Canadians in that region why this government persists in treating this area of the country as second–class citizens?

Mr. Bouchard (Roberval): Mr. Speaker, I am surprised that this member can say what he just said, because 85 per cent of Canadians in Nova Scotia, as in any other province in the country, use their cars or the highways to travel in this country.

This line, Sydney–Halifax, has experienced since 1984 a 45 per cent decrease in ridership. We had to maintain a national network, we considered that the lines which were the least used normally, particularly the regional lines, had to be abandoned. What we have done is for the good of the national network.

Mr. John Brewin (Victoria): Mr. Speaker, my question is for the Prime Minister.

Yesterday, the Government of British Columbia announced that it is suing the federal government for its breach of its constitutional undertaking by eliminating the last remaining rail service on Vancouver Island.

Was the Cabinet aware that it was riding roughshod over the Government of Canada's solemn undertaking when it destroyed the last remaining passenger service on Vancouver Island? Will the Prime Minister indicate that the government will now agree to abide by the promise made by this Parliament and the Government of Canada to the people of Vancouver Island?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, we have reviewed the matter and in the opinion of the government there was no constitutional obligation to maintain such a passenger rail service. We are not aware of any contractual arrangements which might be construed as creating an obligation on the Government of Canada.

Mr. Brewin: Mr. Speaker, I would hesitate to get into a legal argument with the learned and distinguished member.

Let me at least quote from a contract which the Minister of Rails and Canals on behalf of the Government of Canada signed in August of 1883 which provided that contractors will lay out, make, build, construct,

maintain and work continuously a line of railway from Esquimalt to Nanaimo.

Now, once again the government puts the boots to Vancouver Island and the west. How does this government square its call on provincial governments to stick by their commitments on constitutional change when it trashes a 106 year old agreement and commitment to the people of Vancouver Island?

Some Hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, we have honoured all of our contractual agreements. If in fact there is a case to be made that case will be made in court.

Mr. Ross Stevenson (Durham): Mr. Speaker, I have a question for the Minister of Transport.

Will the minister direct his officials to negotiate an interim agreement with Ontario to continue the passenger rail service on the Toronto–Peterborough line until such time that GO Transit might otherwise take it over on a permanent basis?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I wrote to all my colleagues at the provincial level to discuss any proposal which could be made by the provinces, particularly for the Toronto–Peterborough–Havelock line.

We have immediately started discussions, and I am quite confident that we will reach an agreement to transfer the line Havelock–Toronto to the GO Transit system in Ontario.

[*Translation*]

Mr. Réginald Bélair (Cochrane—Supérieur): Mr. Speaker, my question is also directed to the Minister of Transport.

By cutting the vast majority of VIA Rail's secondary routes in Canada, including Cochrane—Kapuskasing, Marathon, Terrace Bay, Schreiber and Nipigon, the Minister is telling senior citizens, the poor, students and the disabled that they no longer have access to affordable transportation.

How does the Minister think these disadvantaged groups will be able to travel in Canada?

Mr. Bouchard (Roberval): Mr. Speaker, when I consider the ridership rate on the routes to which my hon. friend referred, people were certainly using other means of transportation as well, because 85 per cent of Canadians, on these routes and elsewhere, take their cars, 5 to 10 per cent take the plane and the bus, which means that about 5 per cent of the local population, and this applies to any other region in this country, takes the train. So I have to assume that 95 per cent of senior citizens will continue to use the means of transportation they were using before.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a supplementary for the Prime Minister.

I would like to ask him about the insensitive way his Government made cuts at VIA Rail. During the 1988 election campaign, the Prime Minister was bragging about how he had restored VIA Rail services in certain communities across Canada. So why did the Prime Minister cut VIA Rail services by 25 per cent between Ottawa and Toronto and by 40 per cent between Ottawa and Montreal, in my riding? Why did the Prime Minister once again forget to tell Canadians the truth during the election campaign?

Mr. Bouchard (Roberval): Mr. Speaker, quite simply because in order to give all Canadians a national network, we did what we had to do to apportion railway services between Vancouver and Halifax. According to the Hon. Member's proposal, with the money you left us we would only have a network between Toronto and Montreal. Thanks, but no thanks.

[*English*]

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, my question is for the Minister of Transport.

Given the maintenance centre in Winnipeg will be completed in 1990 at the cost of $13.5 million, given the drastic cuts to VIA services announced yesterday, and given that the president of VIA wears the same hat in CN, could the minister assure this House and Manitobans that this newly constructed centre will remain a viable centre in Winnipeg and that it will not be given to CN but that it will be retained for VIA?

Mr. Bouchard (Roberval): Mr. Speaker, the operation of the maintenance centres in Winnipeg, Vancouver, Toronto or Montreal is a corporate decision by VIA Rail.

What I know is that the Winnipeg centre will continue its operation but that it will be done in light of the decisions made by the corporation, VIA Rail.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I have a supplementary question for the same minister.

The slashing of VIA Rail service will cost up to 800 jobs, directly and indirectly, in my province of Manitoba. The cuts and lay-offs are justified by this government on the need to improve VIA's efficiency. However, VIA's corporate plan, and I refer the minister to page 18 of the plan, says that VIA's operating subsidy per passenger mile will increase by over 50 per cent in 1990.

Is this the minister's idea of efficiency? Is this any way to run a railroad?

Mr. Bouchard (Roberval): Mr. Speaker, very briefly I just want to say to my friend that if he will read these documents he will see that the province of Manitoba and Winnipeg in particular will lose 217 jobs.

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COMMENTS OF FINANCE COMMITTEE CHAIRMAN

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, my question is for the Right Hon. Prime Minister who will be well aware that two weeks ago the chairman of the finance committee insulted Atlantic Canadians by calling them all "nobodies".

• (1450)

Then last week he insulted all senior citizens in the country. Yesterday he fanned the fires of western separation and western alienation by referring to westerners as "ignorant, stupid, out to lunch" and then he threatened to send in grade five teachers to educate Albertans.

Will the Prime Minister do the honourable thing and extend an apology to all western Canadians on behalf of the chairman of the finance committee and do the right thing and ask for his resignation? If not, why will he not do that?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I should tell my hon. friend, you should hear what he calls me.

I know what you call me. I have not read the remarks to which my hon. friend refers. I imagine when I do that the grace and elegance of them will leap off the page. But I will examine them very carefully and I will speak to the member as soon as I can and I will report back to my hon. friend.

Mr. Riis: Mr. Speaker, I am not asking the Prime Minister to report back to his hon. friend. What I am saying is that there are many members in this House who are representatives of the people of Alberta. Many of us were born and raised in the province of Alberta, as is his seat-mate. We consider these kinds of remarks, to be called stupid and ignorant, insulting and we would expect the Prime Minister to do the honourable thing and indicate right now whose side is he on? Is he on the side of the chairman of the finance committee, or is he on the side of grass roots Albertans?

Mr. Mulroney: Mr. Speaker, I am sorry. I have not read the transcript of the remarks. I understand that the committee is moving from city to city and I have a tough time keeping up with the comments that are being made. I am starting to quiver because he is heading down toward eastern Quebec, but the Quebecers figure: "What the hell, you had him last week".

I will examine this carefully. I think we all know that the chairman of the finance committee is known for things other than the elegance of his language. But he is known as a very hard working, devoted parliamentarian, and I am sure that he would have nothing but the highest regard for all westerners, and in particular, my hon. friend.

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VIA RAIL

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, my question is for the Prime Minister. If he is quivering now, wait until he hears from the patrons of VIA Rail.

The Prime Minister has admitted by establishing a royal commission that he has no idea of the transportation needs of Canadians now or in the future. Yet he has chosen to destroy a rail transportation system that is vital to the future and which is absolutely essential for the maintenance of this country.

Why did he wait until yesterday to establish a royal commission? Why did he not establish a royal commission into VIA Rail in 1988 when he still supported it?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend is quite inaccurate in some of his statements.

The possibilities for the royal commission are quite impressive. When my hon. friend see the names and the professional qualifications of those associated with the royal commission, he will be very well pleased. I know that transportation is for his area of Miramichi and for New Brunswick a particularly important issue.

I can give him the assurance that we will all be working together to make sure that what binds Canada, and has done so historically is strengthened and improved upon in the light of new transportation needs into the next century.

I conclude, Mr. Speaker, because my hon. friend is from New Brunswick, by referring him to a statement made by Mr. Pepin this morning. He said: "But to say, as the Premier of New Brunswick has said, that we need VIA in order to keep the country together is really romanticism, is really a dream. We have other ways of keeping the country together".

One of the ways we have of keeping the country together is by bringing about a sound competitive economy which will boost prosperity, increase productivity and create new wealth for all Canadians. That is what we are trying to do.

Mr. George Proud (Hillsborough): Mr. Speaker, my question is for the Minister of Transport. Yesterday, P.E.I. lost its only remaining rail connection, a bus that runs from Charlottetown to Moncton. Some 28,000 passengers used this service last year, an increase of over 25 per cent from the previous year.

P.E.I. is now totally severed from the rest of Canada. Islanders and tourists cannot purchase a VIA ticket either to or from Prince Edward Island. This will have a great effect on tourism. Are we no longer considered a part of this country? Will the minister return this service to Prince Edward Island?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, we have made this decision in light of the national network. My friend knows very well that we are working at the present time on different options for Prince Edward Island in terms of keeping the link between the island and the mainland.

He also knows very well that in terms of the current system of transportation between Prince Edward Island and the mainland we have a very good ferry system. I believe that Prince Edward Island has not been deserted by the decision yesterday.

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COMMENTS OF FINANCE COMMITTEE CHAIRMAN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I think the Prime Minister knows that he and I can share humour on the proper occasion and exchange a barb at each other's expense when that is appropriate and relevant. But I do not think members of the House, certainly on this side, would agree with his response to the question from our colleague for Kamloops.

The member of Parliament for Mississauga South, who is the chairman of the finance committee of the House of Commons is representing this place across the country in Vancouver and in Alberta.

Mr. Clark (Yellowhead): Have you read his statement?

Mr. Turner (Vancouver Quadra): I have read transcripts of his statement.

Mr. Clark (Yellowhead): Have you read the whole statement?

Mr. Turner (Vancouver Quadra): I have read transcripts of his statement. In the last two weeks he has said to the people of Newfoundland, when he was discussing the itinerary of his committee, that it is not worth public money to go to the province of Newfoundland to hear what the citizens have to say out there. Now he has said to the people of Alberta that they are ignorant, that they need education at the grade five level, and that their evidence is not worthy of being listened to.

Whatever the Prime Minister may think of his own problems with the member for Mississauga South, by refusing to repudiate the member he is condoning what that member is saying. I urge him to reconsider on the floor of the House of Commons.

Some Hon. Members: hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the statement by my right hon. friend that I am condoning what a member says is quite inappropriate.

Mr. Fulton: You sure did.

Mr. Mulroney: When we had some particularly egregious statements in the last few days by the member for Hull—Aylmer and the member for Scarborough—Agincourt, I never once suggested that those reflected the views—

Mr. Turner (Vancouver Quadra): Both of them apologized.

Mr. Mulroney: They apologized—

Mr. Turner (Vancouver Quadra): Then that member should apologize.

Mr. Mulroney: —and they should have apologized because they were outrageous statements. I never once suggested that my right hon. friend in any way condoned that kind of statement. Why would my right hon. friend want to impugn my motives in this regard when I have already indicated to my hon. friend for Kamloops that it is my intention to read carefully the transcript, to speak to the member, and to have him respond at an appropriate time when he returns.

I did not know that my right hon. friend believed that simply because something is said outside the House that I would endorse it. Of course I would never endorse statements like that. I thought my right hon. friend would give me the benefit of the doubt as I have readily given him the benefit of the doubt in circumstances much more serious in the past.

• (1500)

Mr. Turner (Vancouver Quadra): The question was not raised as a joke in this House of Commons. If the Prime Minister is taking this issue seriously, can we take it from him then that he is going to require an apology from the member for Mississauga South when he returns to this House, on behalf of all members of this House, because he is representing us all as he is hearing public testimony across the country?

Mr. Mulroney: Mr. Speaker, as I think he knows, I can assure my right hon. friend that any matter raised by my friend for Kamloops—Shuswap I take seriously. When he raises a matter like this, even though there was an exchange and some good humour between us, it does not in any way diminish the seriousness of the question that he raised and I will pursue it in that light and respond to my hon. friend as quickly as I can. I thank him again for bringing that to my attention because I had missed it.

Mr. Speaker: The Hon. Member for Saskatoon—Dundurn. I would ask him to make his questions very brief.

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UNEMPLOYMENT INSURANCE

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, my question is for the Minister of Employment and Immigration, but in her absence I would direct it to the Prime Minister. The minister tells us that 30,000 Canadians will lose their jobs as a result of changes to the Unemployment Insurance Commission. The Canadian Labour Congress tells us that the number is 130,000, a difference of 100,000 claimants.

Even the minister's own estimates reflect the tremendous amount of misery that will occur because of these changes. Let us take one example. In the Avalon Peninsula, on the basis of Bill C-21, 10,000 Canadians will be dispossessed of unemployment insurance. I want to ask the minister how the government can possibly justify that kind of devastation to the Canadian public, and I would like an answer right now.

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, as I said before, the statistics used in the study on unemployment insurance reform are correct, and I have every confidence in our statistics. They do, however, allow for the change in attitude we hope to see as a result of unemployment insurance reform, while the statistics to which you referred do not allow for changes in the behaviour of Canada's workers.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to ask the Government spokesman whether he can inform us of the business of the House for the next few days and perhaps the bills he intends to bring to the House for consideration, and also give us some indication of the business of the House for the next few days, tomorrow and perhaps next week.

Hon. Jean Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House): Mr. Speaker, I should be delighted to answer the question put by the Hon. Member for Ottawa—Vanier. Tomorrow, we expect to consider the report stage of Bill C–10, Bill S–2, and second reading of Bill C–23. On Tuesday, October 10, since Monday is a holiday, we intend to consider the report stage of Bill C–20 and possibly second reading of Bill C–28. And finally on Wednesday, we intend to continue second reading of Bill C–28, followed, if time permits, by the debate on second reading of Bill C–33.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C–36, an Act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee; and the amendment of Mr. Foster (p. 4275).

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, it is with pleasure I stand here today to speak with respect to Bill C–36, a bill that is going to affect the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act.

Initially I would like to respond to some of the comments of the minister of grains and oil seeds this morning when he indicated that it was the opposition which was holding up this bill; and that was the reason farmers and producers were not receiving advance payments. With all due respect, the minister knows that that is utter nonsense. That is simply more dialogue coming from the Tories in order to mislead Canadians.

As the minister well knows, this intention to remove the interest free provision on advance payments to farmers was introduced last spring, on April 27. It took the government some 152 days introduce this bill. Now, if it had any sincerity with respect to farmers across this country and really had the interest of farmers at heart, it would have introduced this bill a long time ago. The government knows that many producers, many producer groups and many associations throughout this country have a lot of concern with respect to this bill. They are concerned that it is going to adversely affect agriculture in this country and they want to be heard. It is unfair for the government to simply bring in the bill at a time when farmers need advance payments and then say it is the opposition's fault for not passing the bill.

It is clear that when the Prairie Grain Advance Payments Act, and the Advance Payments for Crops Act were introduced some time ago, they had dual purpose. First of all, they were introduced at a time when the grain handling system throughout western Canada was in difficulty.

The purpose of the bill is to allow the Canadian Wheat Board to more orderly market its grain. It encourages producers to maintain grain in their own bins until the Wheat Board calls for it. As we know, the farmer only gets paid when he delivers his grain to the market. By allowing some advance loans, it allows the farmer to pay off his debts and still store the grain, which is an advantage to both the Canadian Wheat Board and to the producer.

As well, by keeping the product off the market, it avoids the situation where there are large amounts of grain entering the market, thereby adversely affecting the price of grain, particularly grain that is not part of the Canadian Wheat Board.

The Advance Payments for Crops Act was a benefit not only to producers, but to small businesses as well. As we all know, the farmer lives on credit for a good portion of the year and advance payments allow him to pay his bills to small business people, who themselves are suffering

With this change in the Prairie Grain Advance Payments Act, it is quite clear that farmers will not be utilizing the programs as they have before. A recent study by the UPA in Quebec indicated that approximately 10 per cent of the producers now utilizing the Advance Payments for Crops Act will utilize it when the interest amendments are added to these acts.

• (1510)

This is going to cause a lot of difficulty in a number of areas. First of all, it is going to mean that small business people will be unable to pay their own creditors because they will be carrying a credit from farmers. Small business people throughout Canada are under a tremendous amount of pressure today. If they are not receiving the credit that is owed them, it makes it difficult for them

in turn to pay their own bills, which is going to mean that small business is going to suffer.

It also means that there is going to be pressure on the open market. There is going to be pressure for farmers to deliver their grain as soon as they can and that is going to adversely affect the market. It is going to drive prices down which, in turn, is going to adversely affect the price that producers are receiving for their grain.

It is sad that the government is taking this type of approach, because today rural Canada is under severe stress. The rural infrastructure in this country is about to collapse. A new phrase, in fact, has been coined throughout this country, "rural desertification", and it is true that community after community is losing people. They are losing services. Seniors no longer want to stay in communities where they were born, where they have lived and where they wish to retire, because they cannot be guaranteed services. Young families are hesitant to move into communities for the very same reasons. Family farms throughout this country are also under stress.

I think it is quite clear that this bill is not intended to help the small farmers across this country. Certainly, if it was, the government would not have put the limit at $250,000. Two hundred and fifty thousand dollars is a large sum of money. I know very few family farms that can take advantage of a loan of that size. It is only going to be the large industrial farms that will be able to take advantage of it.

This raises another problem. There are many industrial farms that are managing quite nicely. If they can take out a loan at a lower interest rate for $250,000, there is going to be a real possibility that these industrial farms will invest that money in term deposits for a few months and actually make money out of it. The people who will suffer will be the small farmers, the family farms across this nation, that have contributed so much to the development of this country. The pressure the government continues to place on the family farm simply cannot be sustained.

In fact, this bill is simply part of a ongoing philosophy that has existed in this country with successive federal Liberal and Conservative governments since World War II which has put increasing pressure on the rural structure. The number of farms that have been vacated in the last 40 years is phenomenal. The number of people who are leaving rural Canada is phenomenal.

The number of small businesses that are suffering in rural Canada is extraordinary. It is not simply because of an advance in technology, as some members may suggest. Certainly, that is part of it. It is true that as technology advances, it is easier for a producer to farm a large amount of land, but it is also made possible by the programs and the attitude that governments have had toward agriculture. The changes that Bill C-36 will invoke on the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act are simply one more step in successfully reducing rural Canada to a situation that it simply cannot sustain.

We in the New Democratic Party have recognized this stress. We wish that the other federal parties would recognize this problem as well. In fact, we have appointed a committee suggestions and policies that will benefit rural Canada. The Tory's philosophy is to simply look at the bottom economic line. The Tory philosophy is: "If it makes money, it is fine. If it does not make money, let it go."

We are committed to developing policies and programs that are going to maintain a viable and vital rural infrastructure throughout this country. This will be an ongoing program and we are very proud that this committee exists today.

When the minister calls for this bill to be passed immediately, he is ignoring the numerous groups and associations across this country that have real problems with this bill. There are numerous associations that want to speak to the legislative committee that will be appointed to look at this bill after second reading. This government is asking us to simply pass this bill and ignore those groups.

The government always talks about consultation. Well, here is another example of the Tory's type of consultation. It is no consultation at all. It is simply a ramrod approach while it makes up excuses and blames the opposition. But it is not going to work, because those

groups are going to be heard. After second reading, it will go to committee, despite what the government proposes, despite the government's intention on ramming this bill through this House. It will go to committee.

The reason that farmers are not receiving advance payments now is not because of the members on this side of the House, it is because of the members on the government side of the House. If the members on the government side of the House had the interests of farmers at heart, had the interests of producers at heart, they would allow advance payments to go through this year, as they have gone through for the last number of years, in fact past decades.

An. Hon. Member: Since 1957.

Mr. Laporte: It would allow this bill to be debated properly, would allow for groups to speak to the committee, to speak to this government and put their positions forward. But the government does not want to hear any opposition to its proposals. That is why it is attempting to ram this bill through. It is the government's fault, it is not the members on this side of the House who are at fault. It is the government's fault for denying farmers throughout this country the interest free loans, the advance payments that they so rightly deserve and that they and all of rural Canada need.

In conclusion, I would just like to point out that we in the New Democratic Party are committed to a viable rural community, a community that has the compassion to maintain seniors in their homes, in communities where they grew up and lived, and in communities that they love and where they want to stay.

We are committed to developing policies that are going to allow young families to locate in rural communities if they want to locate there. We are committed to developing policies that are going to allow small businesses to be viable. Let us not forget that small business in this country creates more jobs than any other sector in this nation. This government is ignoring small business.

We are committed to the development of those programs and we are committed to providing services to those communities so that they can be viable and vital throughout this nation.

Mr. Ferguson: Mr. Speaker, I want to commend the member for his observations on this bill and the impact it will have on the farm sector in Canada. Will he comment on the level of producer support for this bill across western Canada and state whether that support and resolve on behalf of the producers and their organizations is even building in favour of the amendment that is before this House at this time.

• (1520)

Mr. Laporte: There is a lot of concern throughout western Canada about this bill. Certainly I have spoken to some groups who wish to be heard and have their positions put forth. The prairie pools wish to have their message heard. Certainly the National Farmers' Union which represents many farmers throughout not only western Canada but all of Canada wish to be heard on this matter.

Other groups such as the Manitoba Corn Growers Association and the honey producers from Manitoba and Alberta wish to have their positions put forward.

There are groups from various commodities, various aspects of agriculture who desire to be heard. They have a lot of concern that this bill is one more nail in the coffin of rural Canada. in these advance payments. The imposition of an interest rate on these advance payments simply is not beneficial to rural Canada.

Further, the government is increasing the amount of the limit to $250,000, of which it is guaranteeing 90 per cent. It knows full well that most small producers will not come anywhere near $250,000. To even bring that amount up indicates the government's attitude toward agriculture. The government always claims that it is helping agriculture. Well, if you are a large producer, if you are on an industrial farm, that might be true. It sure is not true if you happen to be a small producer, a family farm, whether it is in Saskatchewan, or Alberta, or Ontario, or Quebec, or in the Maritimes.

This is a government that cares not or thinks not of this type of producer. Yes, there are many groups in western Canada and throughout all of Canada who are very concerned about this bill, who would like to see the government simply put this matter on hold, to allow for advance payments to go through interest free and allow for a proper and thorough debate of this bill so that Parliament can do its real duty, that is represent the people of all of Canada.

Mr. Monteith: The hon. member might comment. He talks about the number of producers in Saskatchewan and across Canada who have used advance payments. I wonder if he would comment on the fact that last year, in the Saskatchewan Wheat Pool, of the total of 69,000 producers, 561 members used the service. He mentioned the honey producers in Saskatchewan. In the Saskatchewan Beekeepers' Association, 56 of 350 producers used the service; and in the Saskatchewan Vegetable Growers Association, 8 of 150 producers used the service.

Across Canada no more than 4 per cent of the producers used advance payments. I wonder if the member would comment on that.

Mr. Laporte: The hon. member questions the number of people utilizing the advance payments act, implying that it is not utilized and is something that farmers don't even want.

I would like to remind the hon. member that in western Canada for the last three years we had a tremendous drought, and farmers never had the grain to get an advance payment in the first place. There have been a lot fewer farmers utilizing the advance payments because of the lack of crops in that region and, in fact, have been waiting for the government to bring in a permanent drought relief program. We are still waiting for it.

In 1985 the government promised that it would bring in a permanent drought relief program, a permanent agriculture program, and where is it? I haven't seen it. And no farmer in western Canada has seen it. Yet this member can go on about the fact that farmers do not want or use this advance payment. When they have no crop to deliver, they do not utilize the payment.

I would also like to point out to the member that two-thirds of the payments that were used with respect to the advance payment came under the Advance Payments for Crops Act and not the Prairie Grain Advance Payments Act. It is a program that is required and used by family farms throughout this country.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, it may seem strange that in a debate such as this someone from a riding such as Scarborough West would rise to speak, but the Minister of Housing will, I am sure, remain to hear what I have to say on this very important topic.

As a matter of fact, the reason I join in the discussion this afternoon is because I wondered what the dispute was with respect to Bill C-36, which is the resurrection of Bill C-32 from the last session.

The people of Scarborough West, like all Canadians, know that the health of our nation is dependent on the health of our agriculture industry, on the health of our farms and on farmers. Therefore, what is the dispute with respect to this bill?

Well I am not a farmer, I am a lawyer. So I begin my analysis by looking at the bill. I do not have to go much further than the third clause to see what one major problem is. The clause, and I am citing directly from it, states that the minister is going to:

> —guarantee to the producer organization the repayment of that advance, and the interest on that money that is attributable to that advance.

That is the amendment which is proposed. So, of course, we have to take a look and see what is proposed to be struck. What is proposed to be struck is:

> —where the Minister so guarantees, the Minister shall pay the interest in accordance with Paragraph 12.(1)(a).

Well, it becomes obvious that one of the effects of this bill is to strike out the interest free characteristics of this particular act.

We now know what is being intended. As a non-farmer, a person who is not involved in agriculture, with no farms in my riding, what is my next step in analyzing this situation? Well, it seems to me that I have to turn my attention to the people who are directly involved. So I started receiving and reviewing letters.

The Manitoba Corn Growers Association, in a recent letter, says quite clearly that: "The Manitoba Corn Growers Association would like to make you aware that we are opposed to the removal of the interest free provision of the Advance Payments for Crops Act".

The Prairie Pools Inc. consisting of the Alberta Pool, the Saskatchewan Wheat Pool, and the Manitoba Pool Elevators, say that it cannot support Bill C-36. They say that the current suspension of the act should be lifted and that the programs should be fully reinstated: "—with the interest free portion intact for the 1989-90 crop year. It is critical that this be done immediately".

Why? Well, among other reasons, the Pools say: "The interest-free advances encourage orderly marketing.

In my own province, the Ontario Corn Producers Association, in referring to the predecessor of this bill, called upon the Minister of Agriculture not to pass it in its present form. They state that: "Elimination of the interest free provision will effectively destroy the program and result in an ineffectual program with minimal participation".

• (1530)

Going to the other end of the country, the British Columbia Vegetable Marketing Commission asks that the proposed elimination of the interest free portion be reversed. Finally, the Saskatchewan Canola Growers Association is concerned and says that the program has been run to date at very little cost to the government or producers. It seems that looking at these various organizations and groups Canada-wide that are involved with agriculture on a daily basis, there is a clear consensus that the removal of the interest free provision should be reversed. How did that happen? What is the history behind this?

We know that in 1957 the Prairie Grains Advance Payments Act was introduced by another Conservative government, the Diefenbaker government, by the then Minister of Trade and Commerce, the Hon. Gordon Churchill. Thirty-two years later we are having that reversed. It seems the government has chosen to ignore the rationale behind the program and the integral role that the interest free payments play in the program's success. This is because the government has represented the program in the budget papers describing the program thus: "The objective of the program is to ensure that producers can obtain cash in advance from lenders on the strength of their marketable crops." This was not the objective of the program. This was one of the means by which the objectives of the program were to be met. Integral to meeting the objective was also the interest free provision of the Act.

The objective then, 32 years ago, as it should be now, was to encourage on-farm storage of produce. The program resulted from a recognition that the commercial storage capacity of the country was far less than the productive capabilities of the country. As Mr. Churchill, 32 years ago, clearly stated, "The legislation is necessary because of the large surplus of wheat."

Imagine the consequences if Canada failed to maintain adequate reserves and we suffered a crop failure in this country. If we had insufficient reserves, we could very well lose important markets for our produce for many years to come. We saw with last year's drought how quickly foreign countries rushed forward with their reserves to take advantage of our shortfall. Further, imagine if the world suffers crop failure, not in one but perhaps two or more years in a row. Imagine the consequences in terms of food security that could result if we have insufficient reserves.

It is a well-known fact that elevator companies have reduced their commercial storage capacity in the last 10 years and have increased through-put. We are now more dependent on our producers to maintain our reserves than in 1957. Yet now the government does not even want to recognize the true historical objective of the program, let alone the very real necessity for it.

According to *Grain Matters*, storage capacity in Canada is limited to only half of our annual exports of grains and oilseeds. Conversely, the United States of America, Argentina and Australia all have greater storage capabilities than their annual exports. These interest free advance payments are means to encourage storage to attempt to ensure Canada remains on equal ground with our competitors.

During the free trade agreement debate we heard time and time again from the government of the necessity of developing a level playing field with the United States in order to be competitive. Although the deal fails in substance to do that in our view, the objective was valid.

Now, with the goods and services tax, we are hearing the same argument advanced; that Canadian industry needs the goods and services tax to be on a level playing field with the world. I ask what of a level playing field with the world in the agricultural industry.

Instead of scrapping the interest free provision which will scrap the historical intent of the legislation, this government, if it were serious in promoting the Canadian agricultural trade and in ensuring food security, would be introducing legislation to increase not diminish our storage reserves. Do we need to go through the crisis of 1957 again to see the necessity of this provision of the program? Should we wait until those countries which maintain reserves steal our markets before ensuring our

own reserves? That day is coming and this legislation will only accelerate the decline of our already dangerously poor storage capabilities.

In 1957 the Prairie Grain Advance Payments Act was introduced to meet a national objective. As Mr. Churchill stated: "This resolution will be for the benefit of the people of Canada". The Conservative government was bringing this in for the benefit of the people of Canada. This government, a Conservative government, now refuses to recognize this objective. Instead, it refers, and again I quote from the budget papers, to "the elimination of the interest subsidy".

This is not a subsidy. It is a payment to the producer for storage costs incurred with the rate of payment determined by the interest rate of the advance. Note the word "subsidy", a word not yet defined under the free trade agreement. Is the government somehow afraid that this is going to be brought up by the United States, that it will somehow be embarrassed and forced by the United States to remove this because it is a subsidy, a word yet undefined? Is this somehow an effort to remove this argument before it is even raised?

In 1957 Mr. Churchill stated: "The cash advance is not a handout or a subsidy to western farmers". What the interest free component does is recognize the economic consequences to the producer when we, the Canadian public, ask him to store his produce for our rainy days. In 1957 there was a crisis because every producer attempted to sell his crops at once to bank his profits, to ensure he could afford to plant a crop the next year. The interest payments are an attempt by the government to ensure that the farmer is not penalized for participating in a program of a national objective.

Now, however, we do not see a government that recognizes this national objective. I am confident, as we debate this issue today, that the government will continue to deny the need of this national objective. It is just cut, cut, cut. It does not recognize the national objective under which this particular provision was brought on by its own party 32 years ago. It is not only those on this side of the House who recognize the true objectives of these two programs.

I would like now to quote from an independent source as to the objective of this program to balance against the view presented by the budget papers. The Canadian Tax Foundation in its issue, *The National Finances*, has described the objective of these programs for many years thusly: "Under the Prairie Grain Advance Payments Act, the government makes interest free cash advances to farmers for storing certain grains on their farms".

It should be noted that this program is described as an exchange of advance payment for storage services provided by the producer. Finance is wrong in the budget papers to see it as merely a guarantee of credit. It is an agreement that provides the producer with a payment for contributing to the fulfilment of a national objective and that is the storage of our crops. Yet in the budget papers, we have a government saying: "The interest free aspect is not fundamental to this objective". Clearly it is fundamental to an objective that the government no longer feels is necessary. That objective is quite simply stated as food security.

The government's agriculture policy into which eliminating this interest-free provision fits is one of Canada should not purchase food. That is not the way we see it on this side of the House. Food security means just that, secure access to food. That means we must maintain our reserves and we must recognize that the $27 million we are currently paying our producers to maintain reserves in this country is cheap at 10 times the cost. We should encourage storage and not punish those producers who maintain those reserves should we ever need them. This government's hidden policy of purchase instead of produce is like attempting to buy fire insurance the day after the fire.

• (1540)

It is vital that we keep this legislation intact, that we understand the purposes for which the interest free provisions were brought in. We accept that they have not changed. We agree that the national objective must remain, and therefore those are some of the reasons why our party is opposing Bill C-36. It is not simply objective for objection's sake. We are putting forth concrete reasons why Bill C-36 should not be considered by this Parliament.

Mr. Ferguson: Mr. Speaker, I commend the hon. member for Scarborough West on his very articulate and excellent address. I want particularly to compliment him on the interest he has shown on behalf of his urban

constituents. I am sure it must be on the minds of his constituents in a very large urban riding, as he mentioned in his address, regarding the security of supplies of food. We have heard in the last two days about the erosion of farm programs by this government. This concern is endorsed by almost all of the farm organizations in Canada and today was even further reinforced at a luncheon meeting of the Canadian Federation of Agriculture when Mr. Jack Proulx, a member of the CFA executive, made an impassioned speech opposing this bill.

With the current trend of this government toward the free market philosophy and the dismantling of farm programs, I want to ask my colleague if he has given any thought to making food production in Canada a matter of national security. He talked about security of food and I wonder if he might give us some of his thoughts on making it a national security, security of supply of high quality Canadian grown food for the Canadian consumers.

Mr. Wappel: Mr. Speaker, it is almost incredible that we would even have to be discussing whether or not we should make agriculture a national priority. It is incredible in a country like this. We have the second largest land mass in the world. We have incredible and vast areas devoted strictly to agriculture.

You can go back as far as you want in the history of mankind, even as far back as ancient Egypt when there were the seven lean years and the seven years of plenty. Of course, we should always be harvesting our agricultural produce in such a way that we never end up in a situation of want.

This is a country of great plenty, this is a country that can for the most part supply itself. It seems to me that it should be a given, not something for discussion, but rather a given that a national objective of ours is that we are not caught short at any time and that we always have sufficient food to feed our people and, indeed, sufficient food not only to feed our people, but to help others in depressed areas of the world in the event of a tragic famine of some nature.

In answer to the question, I would simply say that we should not even be talking about it. It should be automatic.

Mr. Hovdebo: Mr. Speaker, I want to follow up on the statement and question of the hon. member. The idea that we should produce enough food to feed ourselves is something that has become lost over the last number of years. We now have come to the position where we are thinking of rural Canada less as a producer of food and more as a place where people might want to live if they want that lifestyle.

Rural Canada is under a tremendous amount of pressure because we in Canada have not made it a requirement to keep agriculture going. I would like to ask the member, as an urban member, if he is prepared to allow the price of food to go to the level which would be required for us to stay viable in agriculture all across Canada.

Mr. Wappel: Mr. Speaker, I thank my hon. friend for his question. It is a rather broad question and I am not quite sure that I understand the full import of it.

Is my hon. friend suggesting that for some reason an apple that, for example, presently costs 80 cents really should cost $2.50? I do not know whether that is what the suggestion is. Speaking as an urban member, obviously people want to be able to afford to buy food. It is very important in order to be able to buy food that we produce it.

It seems logical that foods produced in our country and shipped to points in our country should be less expensive than foods imported from other countries. I am not entirely sure what the hon. member meant by his question and how it related to urban families wanting a rural lifestyle. Beyond that, I do not know whether I have responded fully, but I am sorry, I did not quite understand the question.

Mr. Hovdebo: Mr. Speaker, I would like to clarify it. Farmers in Canada are going broke because the price of the product that they are producing is too low. Right now there are over 10,000 farmers in Saskatchewan with foreclosure notices.

They are going broke because the price that is being paid for the product that they are producing is too low. It is too low because it can be produced more cheaply in other parts of the world. The hon. member's suggestion that we should produce enough food to feed ourselves would require that we pay enough for that food so that the farmers who produce it can survive. That is not true in grains; it is not true in apples. We will not pay enough for apples for apple farmers to survive. It is not true in grapes; it is not true in most of the areas of agriculture.

Canadians are unwilling to pay the price for the food which would allow farmers to survive in that kind of production. The only places where we are able to survive fairly well is in exports.

Mr. Wappel: Mr. Speaker, I would say that the people in my riding of Scarborough West have never complained to me that the price of food is too low. There must be something going on between the time that the farmer sells the food at such a ridiculously low price according to the member and the time when my constituents buy the food. That is where there is a problem and that is what we can examine at some later date, but not when we are discussing Bill C-36.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York West—Immigration—Investor program—Special ministerial permits/ Government Response; the Hon. Member for Trinity—Spadina—Immigration—Backlog of refugee determination system; the Hon. Member for South West Nova—Fisheries.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-36, an Act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee; and the amendment of Mr. Foster (p.4275).

• (1550)

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I am pleased to rise this afternoon to speak on Bill C-36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act and the amendment to the motion which essentially calls for the bill not to be read at this time but six months from now.

Speaking directly to the amendment, I first want to suggest that postponing this bill for six months is not the effort that farm producers and producer groups would like to see. They would like to see this bill withdrawn completely and the existing act which was in place prior to the April budget of the finance minister be in force so they may have the full weight of the benefits of the advance payments act which existed prior to this year.

To clarify that a little further, the bill before us today essentially brings into practice what the Minister of Finance announced in the budget in April of this year, that the government would no longer pay interest on advances for the purchase of grain. The argument raised, of course, is that the government would rather use the $27 million expended on this program than have the producers in the field use it.

Farm groups, of course, have said the advances are important because they allow producers to sell their crops when the prices are high, when they are in the bins and they cannot sell them, and I will elaborate on that a little bit more in a few minutes.

We have to remember that this program was brought in in 1957 and has served the farm community extremely well since then. The farm population has utilized the program and has found it to be of great benefit. The fact that the government is now in financial difficulties is no reason to penalize the farm community which oft-times have no other place to turn than this particular program.

There are a couple of things that I should mention. This program is extremely valuable at times like this when the agriculture community is in such a state of stress. The financial crisis in the farm sector is absolutely real. It is having an impact right down to the human level. In some cases farmers have taken their lives because they felt that they failed their fathers' generation, their fathers who had broken the land and had often lost hands or legs while building up the country and producing on the land for their children. Then their children come along, and because of policies of the previous government and this government, they can no

longer maintain their farms. Some of those farmers feel that they have failed their fathers and their grandfathers, and their sense of being has been destroyed.

The crisis is very real and we will remember a few things. We have to remember that this government is pushing more and more of the costs on to the farmers and they are getting absolutely no support from this government in terms of raising the price of the product. My colleague, the hon. member for Saskatoon—Humboldt earlier today talked about the prices for farm products and he is absolutely right. Bills like this one before us today would be unnecessary if the price paid for farm products was adequate to meet the needs of the farm community.

Other programs that this government boasts about would be unnecessary if the price paid for the farm product was adequate to meet the needs of the production. A lot of the farm community is looking for that opportunity to indeed be carrying the weight of the economy. This is not the time to be pushing more and more costs on the producer.

I just want to remind you, Mr. Speaker, and some of the government members here today of what is happening out there in the farm community and why interest free cash advances are so important.

We know that the price is down on almost all commodities. Therefore, with the price down and support from the government down, obviously farm income is down, but interest rates remain very high. We cannot forget that the previous government had interest rates up to 20 per cent and 22 per cent and that is what forced many of the people in the farm community to get into this crisis situation.

Input costs continue to increase. With the free trade legislation and the goods and services tax being brought in, all of those input costs are increasing at the farm level. The expenses rise, the price continues to fall, and more and more of the costs of doing business are being transferred to the farmer.

We cannot forget that earlier this year oats was removed by this government from the jurisdiction of the Wheat Board. Subsequent to that move, the price of oats has fallen dramatically.

There was no stabilization payment for grains this year, even though in a period of time like this one following a drought, stabilization payments are more important than ever. Do not forget the deficiency payments that the Minister of Agriculture has been so proud of have been stopped, and there was not a dollar of deficiency payments made to any producer last year or this year.

The rail line rehabilitation program has also been terminated, meaning that more and more producers are going to have to haul their grain further and further to the elevator. Again, the cost of that transportation cost has been pushed over on to the farmer, and there is absolutely no support for the increased price that is paid for that product.

I can go on. I am going to list just a few other things here. We have to remember that the compensation payment that this government promised after it took away the two price wheat system last year because of the free trade deal has disappeared, and $270 million was promised, a one-time payment for a price that has been paid for years and years and years on the use of domestic grain in Canada. It disappeared.

The Minister of Agriculture was in Prince Albert not too long ago talking about crop insurance and how the crop insurance program that this government is going to implement is going to be the salvation of the agriculture community. Crop insurance is a very important aspect of the farm price circumstances, but the crop insurance system is not the end all answer to supporting the income of the farmer and certainly not if the farmer has to come up with higher and higher premiums every year just in order to stay in that program.

Too many of the people in the farm community are on the line. They have just barely enough cash flow, if any, to go from one year to the next. Interest and expenses cut into that cash flow significantly and we cannot increase that in any way.

One of the things that I discovered this summer as I worked more and more closely with labour market conditions in my own riding and as I looked around the province of Saskatchewan, was that Canada Employment Centres across the prairies are indicating that there is a tremendous lack of skilled farm labourers available at harvest time. Not only do the producers have to pull off these crops with more and more expensive equipment, because of course the cost of this stuff has all been increasing, but they are having to utilize it with less and less skilled labour. It is becoming a tremendous problem

throughout the prairies and particularly in Saskatchewan.

Last, I mentioned the significance of cash flow on the farm. The goods and services tax proposed by this government is going to just destroy that cash flow position of the farmer or the producer on the western prairies. We can be sure that when the people in the farm communities start to look at all of these things, decisions made by government which could be made in another way that are affecting their lives, their ability to produce food from the land, they are certainly going to have second thoughts about the way in which they direct their attention in the future.

Two days ago in the House of Commons, the Minister of Agriculture spoke to us and he had a number of interesting things to say about this bill. I would like to make a few comments on what he had to say.

• (1600)

You will recall that he was talking about the opposition holding up this legislation. Here we are into the harvest, in fact the harvest in Saskatchewan is over. The grain is in the farmers' bins and they are looking for ways to sell it. In fact, if you go out and look at those bins you will find that a lot of them are full of grain. If you go to the grain elevators you will find that they are also full. The elevators cannot take any more of the grain that is in the bins but the farmer has to sell that grain.

This government is forcing that farmer now to take an advance on grain he can't sell and actually borrow the money for the sale and pay back interest. A number of those producers are sitting there with grain that the board is not buying at this time, grain which, because we had poor weather in the fall, is now fit for feed instead of export. That grain is not going to be bought for transport now. The grain that is being purchased now by the elevators is used for our exports, our best quality grain.

So the farmer who is sitting there with feed grain is wondering how he can go to the elevator and get paid for the grain that he has grown without having to borrow the money, which is what this government is now asking him to do. I am afraid this is a situation that is intolerable and shows the ignorance of this government about the conditions on the farm and how things work.

Before I come back to the Minister of Agriculture I have to mention a statement made yesterday by the Minister of State for Grains and Oilseeds. He said the major hold-up in all of this is because farmers out there don't want to haul their grain in winter. He said:

> There is no point in the guy hauling in the middle of winter because it is 40 below and he does not want to start his tractor, blow out the lane, get his truck going and all that. He has got his money. But if he has got to haul the grain to get his money, that helps as far as orderly marketing.

Well, I am sure there isn't a farmer out there who is going to read that statement, think about last winter when the weather was 40 below, and think "Oh, if I had not got my money then I would have shovelled out my driveway, shovelled out the road, got out to the elevator and delivered my grain because I needed the money." That is not the nature of this at all. What we are talking about is selling product when you can sell it and not having to borrow the money because the grain is in the bin and there is nothing you can do about it.

The Minister of Agriculture boasts that the limits have moved up from some $30,000 to $250,000. Big deal, Mr. Speaker. When you are not paying the bill you could put that up to $500,000, make it a million dollar limit. When you are not footing the bill it makes no difference. They can claim all the credit they want on this one for boosting the limits, but when you are borrowing the money at the producer level it doesn't make any difference on that side. It is still a loan and it is still a transfer of the cost to the producer. As I have indicated, the producer at this point does not need those additional costs.

We can't forget that the payments that were going into this program before amounted to some $27 million. When you look at the western economy, $27 million out of that economy, no matter how you look at it, is a lot.

I also want to make a suggestion. Earlier in the House today it was said that only a few farmers take advantage of this program. this is becoming more and more typical of this government. The government says that only a few use it so it is okay.

That is what the government says about the VIA Rail users. While this debate is going on, the same debate on VIA Rail is taking place. Only 3 per cent of the Canadian population use VIA Rail so slash it by 51 per cent. What an attitude!

The Government may say it is only a few. I do not care whether it is a few. I know it is not a few, not for farm producers and not for VIA Rail users. Those are important people and important parts of our society which deserve the support that they have been getting both on VIA Rail and particularly on this bill, the Advance Payments Act. These people, the producers and travellers, are not expendable in our economy.

My colleague last night in the House of Commons also suggested that the government, if you want to extend this logic any further, will next be closing down heart support units in this country because only a few people use those as well. I am afraid that, as disgusting as that thought may be, I tend to agree with the suggestion.

The Minister of Agriculture also talked about how the budget cuts have to extend through to the farm sector, and said that the government was not walking away from supporting the farmers of Canada. He is very proud of the distinguished record that the government has had in the past. Again I say, "Oh yeah, some record". We just recognized that we have the most serious financial crisis in agriculture in the history of this country and this government is bragging about all that it has done. It may have put more money into agriculture than any previous government, but that tells me one thing, that no previous government has supported agriculture properly or adequately, and, secondly, because the crisis is still there, that no matter what it has done to this point, it has not been adequate, it has not changed the problem, it has not helped get producers from one time to another.

We still have producers throughout the prairies who are looking to that great crop next year because that is what they need to survive. There have been so many things that have been pushing them down that there is every reason for the Saskatchewan producers to continue to believe that they do live in "next year country". Unfortunately, as long as governments take positions like this, it is always going to be next year country in Saskatchewan because there is nothing that is going to help to get them ahead.

I want to make one more comment on a quote made by the Minister of Agriculture. He said:

> We are asking the agriculture sector to do its share and to help overcome Canada's deficit problems. Farmers, like other Canadians, in the long run will benefit from the action we are taking today to put this country on a sounder financial footing.

Wonderful words, Mr. Speaker, but what he is saying is that the farmers who are left may benefit from the programs that are put in place by this government. I would suggest that there will certainly be no benefit at the farm community level for any of the producers who are sitting there now and dealing with the crisis that has been perpetuated by this and the previous government.

Over the last little while I have had numerous representations from individual farmers within my own riding and from various producer and commodity groups across the country. A number of those groups have suggested that we have to do everything we can to convince this government to maintain the interest free part of the advance payments act. Those groups are wide-ranging across the board, from those who are active in my province to those who are active across the country.

Obviously they have made those pleas to the government on the opposite side of the House. Both ministers who have spoken in this debate, the Minister of Grain and Oilseeds and the Minister of Agriculture, have discounted what they have been told by these major farm organizations. I am afraid I find that much too similar to the other activities that are going on. The government is not listening to the people on the goods and services tax, it is not listening to the people on VIA Rail, and now it is not listening to the interest groups that are active in the industry.

I have information before me from the Ontario Soybean Growers Marketing Board, the Corn Growers Association, the Canadian Federation of Agriculture, the Canadian Wheat Board Advisory Committee, the National Farmers' Union and many others, all of whom are saying, maintain the interest free portion of the cash advance. It is crucial to the western farmers to keep the cash flow and keep the grain flowing from the farmer to the elevator to the export market.

• (1610)

I thank you for the opportunity, Mr. Speaker, to speak in this afternoon's debate and I wish the government well in pursuing its agriculture policies in the future.

Mr. Simmons: Mr. Speaker, first of all, I want to commend my friend from The Battlefords—Meadow Lake. I have listened with great interest to what he has had to say. Many in this chamber will think of fish when

they see me rise in my place because much of my riding depends so heavily on the fishery and I spend a fair amount of my time in this chamber talking about that.

There are two important agricultural pockets in the riding of Burin—St. George's. One is called the Codroy Valley, a very agriculturally fertile valley where there is a farming segment extending up into the Robinsons area. The other is on the Burin peninsula, the Winterland area in particular. So in my riding of Burin—St. George's there is some concern about farming matters generally.

I rise, not only because I am proud to represent farmers in this House, but for another reason. I want to put a question to the member and in so doing state my second reason for rising. The amendment by my friend, the member for Algoma, seconded by my seatmate and friend and colleague from Lambton—Middlesex, has the solution to this problem and I am wondering whether the gentleman from The Battlefords—Meadow Lake shares our view on what the solution is.

The existing legislation adequately addresses the problem. I heard a gentleman on the Tory back-bench today rave on about how the big bad Liberals and NDPers were holding up things and keeping money from the farmers. Let us keep the record straight on this. The existing statute allows the advance payments to flow. This legislation that we are now debating would put some restrictions on it, would make the amounts more measly and would introduce the question of interest and so on.

We understand what the Tories want to do, because we see a pattern here. It is the same thing they are trying to do to the fishermen. It is the same thing they are doing on VIA Rail, on Canada Post, on the Canada job development program.

If you want an umbrella phrase for all these apparently diverse issues, the umbrella phrase is "Chinese water torture". They are now doing to farmers what they have been doing to the fishermen for a long time, what they are doing to postal recipients in rural Newfoundland and rural Canada generally. They are sending out the message as part of the Tory agenda that if you live anywhere other than the Torontos, Vancouvers and Montreals of this world, we do not need you.

And so by a process, a slow Chinese water torture process, they are sending the message to farmers, aided and abetted by Tories who represent, however temporarily, farm ridings, to fishermen in rural Newfoundland and all parts of the Atlantic and the B.C. coast, through the Chinese water torture approach, that you are not part of our agenda, you are not part of the mainstream because you do not live in Toronto and you are not middle income. That is what this bill is all about. It is another step in the process, another cog in the wheel, another effort, another sequence in the Chinese water torture.

So I rise to put a question to my friend from The Battlefords—Meadow Lake. Does he not see in this bill an effort by the Tories to put the farmer just a little further underfoot? Also, does he not support the amendment put down by my friend from Algoma, and seconded by the gentleman from Lambton—Middlesex, that would give this whole thing a six month hoist, get it off the chamber floor, and let the farmers know where they stand on this so the government, under existing statute, can send out the payments as it should be doing instead of monkeying around with this cowardly bill here in the House in the first place?

Mr. Taylor: Mr. Speaker, I thank my hon. colleague from Newfoundland for the question. Before I answer the question he raised, I would like to comment on the closeness of the people of Newfoundland and Saskatchewan. They are very much like close cousins. Newfoundlanders have the ocean and we have our oceans of wheat that wave and blow in the breeze. We also have producers who rely on seasonal conditions to maintain their entire economy. The price of wheat and fish, the quotas day. Neither the producers in Newfoundland nor the producers in Saskatchewan have any control over their ability to maintain their life from year to year or from day to day.

The hand of government is heavy on the people who live in Newfoundland and Saskatchewan. In that regard, we have a tremendous amount in common. I have great respect for all those who come from Newfoundland and I hope and trust that they have the same for people from Saskatchewan.

The member talked a lot about the existing legislation and I agree. I thought I made it clear in my speech that the existing legislation which has been in place since 1957 has been very good to the producers in this regard. The interest free advance payment is just fine.

The problem with the amendment put forward by his colleague in the Liberal Party is that it does not ask or request or demand that the government actually implement the existing legislation or bring in the statutes that are required from it. The government has stated very clearly that there is nothing available for producers. If we stall this bill there will continue to be nothing in place until such time as the government decides what it wants to do. Until we get that commitment and something that guarantees that the interest free portion of this act will continue I will have difficulty supporting the amendment even though I agree that the change has to be made.

I would like to make one other thing clear, Mr. Speaker. During the time I had allocated to me I did not get a chance to specifically tie the reason for implementing this bill to the economic conditions in the country, namely, what the Conservative government sees as the big problem, the deficit. I maintain that if this government was serious about combating the deficit in Canada it would not be doing it on the backs of farmers, it would be hauling the Bank of Canada in here before us and demanding that the interest rates in this country be lowered. Until that happens, none of these other things will make a great deal of difference.

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, the poetic interventions of our colleagues from Newfoundland and Saskatchewan are a tough act to follow. However, I am pleased to rise today in the House to speak on Bill C-36, an Act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act.

I would like to begin by congratulating my colleagues from Algoma and Lambton—Middlesex for the excellent interventions they have made on this bill. I would hope that the government will listen as well to the points they have raised and listen to the many farmers of this country who also oppose this bill.

The government must realize that Bill C-36 is both counterproductive and harmful to Canadian agriculture. Many members of this House have received a considerable amount of correspondence from various national and provincial agricultural organizations regarding Bill C-36. I have received letters from groups such as the Canadian Federation of Agriculture, the Ontario Soybean Growers Marketing Board and the Ontario Corn Producers Association. Each and every one of these organizations are against the passage of Bill C-36. Obviously organizations such as these are aware of the needs of farmers and are aware of what actions the federal government should or should not take in order to ensure the success of Canadian agriculture. These groups have outlined several reasons why Bill C-36 should not be passed. I suggest that groups such as those I have mentioned have put forward valid arguments as to why Bill C-36 should not be passed. Unfortunately, the federal government in its infinite wisdom seems willing to ignore the views of the expert voices of Canadian agriculture.

• (1620)

One of the main reasons why farm groups do not wish to see Bill C-36 pass is that the bill eliminates the interest free provision of the cash advance program. These interest free advances are important factors in maintaining market stability in particular agriculture sectors. By eliminating the interest free portion of the advance payment for crops program the value of the entire program and its use by farmers will be reduced.

The advance payment for crops is a vital avenue for supplying farmers with the necessary funds to pay their operating costs and purchase supplies. It enables farmers to be in a position where they are not forced to sell their crops at harvest time when the market is flooded and prices are low. The advance payment for crops program has traditionally played a vital role in assisting farmers in the planning of their operations for the crop year. By cancelling the interest free provision of this program the government will place farmers in a difficult situation. They will no longer be able to rely on the fiscal and market stability which existed previously.

The interest free portion of the program enabled producers to store their crops at harvest time and still pay their bills and buy supplies for the coming crop year. This program has provided farmers with the flexibility to sell their crops at a time when the market price was high so they could meet financial obligations and prepare for the crop year ahead. The market also avoided being flooded at harvest and avoided shortages later on. Thus

both the producer and agriculture benefited by this program.

With Bill C–36 all this will change. Farmers will have to pay interest costs on the advance payments. This added financial outlay will be expensive and detrimental to the usefulness of the program. With interest rates being as high as they are the financial burden to farmers who participate in this revamped program will be considerable. The Canadian Federation of Agriculture has already stated that the elimination of the interest free portion of the program takes away one of the few avenues farmers have to deal effectively with high interest rates.

The Ontario corn producers argue that while the federal guarantee under the ACPA will allow farmers to borrow money at, or slightly below the prime interest rate, administration charges would mean an actual cost to producers at well above prime. This, in effect, will provide no advantage over commercial sources of credit. The elimination of the interest free provision will effectively destroy the program and result in an ineffectual program with minimal participation. This even if the current advance loan levels are significantly increased as provided for in Bill C–36.

By eliminating the interest free provision of the advance payments program the government will not accomplish too much toward addressing the federal deficit. The government states it will save $27 million in the 1989–90 and 1990–91 crop years by not having to pay the interest on the cash advances to farmers. However, the government will at the same time create an agricultural sector with reduced farm incomes and a weakened marketing structure.

Furthermore, a number of farm organizations have argued that the relative cost of the APCA marketing program has been minimal when compared to the benefits the program established in the agricultural sector. The program was a useful one for producers and it achieved its intended goal of creating an orderly marketing system for the crops involved.

This program benefited farmers and the agriculture industry alike. Why then, if the program was such a success and the costs comparatively minor compared to the benefits produced, does the federal government now want to eliminate the interest free provision? Such a decision is illogical and completely inconsistent with this government's promises to support Canadian agriculture and Canadian farmers.

It is worth remembering the untenable situation which existed in agriculture prior to the advance payment for crops program coming into effect. Farmers sold their crops at harvest time when crop prices were traditionally low as they had no choice if they were to address their financial obligations.

The selling of crops at harvest created supply and demand imbalances and brought about price cutting and predatory marketing. The Advance Payments for Crops Act was viewed as an important remedy to these serious problems.

In a very real way the government is now planning to turn back the clock by disposing of the interest free provision of the program. If Bill C–36 passes, farmers will be charged interest on the advance payments they receive for their produce. The net result is higher costs for producers and a depressed price for their produce in an unstable market system.

If the government proceeds with Bill C–36 it will be displaying the lack of concern it has for farmers who have relied upon the interest free provisions of the program. The government will display its callous attitude toward maintaining a strong and effective marketing system for crops and it will also display its unwillingness to assist and support Canadian agriculture.

The situation in Canadian agriculture today is not one which instils a lot of confidence. Many farmers believe that the future of supply management in Canada is being threatened. Recent Canada–U.S. conflicts over yoghurt and ice cream as well as pork when added to the other problems such as industrial milk prices and the agricultural talks at the GATT, have generated a feeling among farmers that they cannot rely upon the government to assist and support their industry. Now the government wishes to cut the interest free part of the advance payments program. One can easily understand why our farmers feel the way they do.

The governments of other countries have not instituted similar actions in areas relating to programs such as advance payments for crops. The United States have their storage loans programs and Europeans have their intervention purchases which maintain commodity prices in the European community. These governments maintain interest free provisions in their respective programs.

They have not indicated any plans to transfer the interest paying burden to their producers.

The GATT Geneva Accord of April, 1989 calls upon countries such as Canada to freeze existing support programs. This accord does not force Canada to remove the interest free provisions of programs such as the APCA. Thus, there is no international pressure upon the Canadian government to remove the interest free aspect of the program.

It cannot be said that the advance payments for crops program is trade distorting. It isn't. The program does not stimulate production, it merely encourages and fosters orderly marketing of crops and grains. Thus, there is no conflict with either the program itself or the interest free provisions with regard to international trade.

I believe it is time for the government to show Canadian farmers that they are still important to the country. The advance payments for crops program was designed to assist farmers and facilitate effective marketing. By watering down the effectiveness of the program both farmers and agriculture in general will come out the loser.

I would like this government to start implementing responsible initiatives in agriculture rather than putting forward legislation such as Bill C-36. I urge the Minister of Agriculture to use the existing Advance Payments for Crops Act and Prairie Grains Advance Payments Act legislation and sign the agreements with producer organizations for this crop year. The minister must surely be aware that the harvest period has been completed in western Canada and is proceeding in other areas of the country. Farmers deserve to know what is in store for them.

The government would like us to believe that the interest free aspect of the advance payments given to farmers is not a fundamental part of the program's over-all objective of providing cash in advance on the strength of marketable crops. I would argue that having the interest free provision assists the farmers in the ways I have already discussed and is, in fact, vital toward assisting in the maintenance of an orderly marketing system.

• (1630)

This in itself is enough to view the interest free provision as being quite important to the over-all program.

It is expected that this measure to remove the interest free provision will lead to higher interest costs for farmers, with the increased cost dependent on interest rates and other dimensions of the loan packages arranged by farm organizations. Some of these organizations in western Canada have predicted that borrowing costs will increase by some $1,500 to $2,000 per farm per year. This is indeed a significant cost for producers to bear especially with the high interest rates currently in effect.

With regard to grain, Bill C-36 may cause increased congestion in a shrinking elevator system as farmers deliver early in order to receive payment. Thus, there will be added pressure on grain companies to ensure shipping points have adequate storage facilities. This is yet another example of the problems Bill C-36 will create.

Some producers believe that the orderly marketing of grains may be hampered as a result of Bill C-36. A number of agricultural groups believe that these cash advances have facilitated grain marketing, enabling grain to move smoothly through the system. Bill C-36 may well lead to increased pressures for high quotas early in the year.

Grain and oilseed producers have already paid their share to deficit reduction with the phasing out of excise and sales tax exemptions on diesel fuel and gasoline used in food production. I guess the government wants to go one better and have these producers shoulder more of the burden.

In conclusion, we can clearly see the harm Bill C-36 will cause if it is passed. It will have a negative effect upon corn and soybean producers in Ontario and grain producers in western Canada. Our farmers deserve better support from their federal government. They deserve to have the interest free advance payments for crops program and an orderly market system.

Mrs. Maheu: Mr. Speaker, I wonder if the hon. member for Stormont—Dundas would share his thoughts on the security of our food supply in view of the demise of the fishing industry and the severe downturn in the farming industry.

Mr. Kilger: Mr. Speaker, I thank my hon. colleague for her question and particularly for her concern as I know it is a source of serious concern for her and for all of us in the House. I would not leave out anyone in the House. I think it is a concern of national interest to all of us.

In speaking with many producers in Stormont—Dundas, many of whom have family ties that originate from European countries such as Holland, they speak from past experiences within their own families in their original homelands. They have tried to impress upon me on many occasions that Canada should never leave itself vulnerable in such a critical area.

I think it would be callous of any government not to protect the security of each and every Canadian by maintaining a supply of food necessary to feed each and every one in the nation. I think we have to go one step better because it is expected of us by the international community, living in a rich country as we do, benefiting from the vast agricultural lands and so on.

We are certainly well placed to assist the international community where many people in various countries have far less than we do. Canadians have and will continue to show not only their respect but their generosity to all peoples of this world. We should be able to assist increasingly in feeding people around the world.

In closing, I thank my colleague again for raising the very important concern that she and all of us have.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I appreciate the opportunity to speak on this measure which is very close to my constituents and very close to myself. It has been an important part of western Canada's ability to keep grains on the market.

As you know, Mr. Speaker, this measure would amend two acts, one of which is the Prairie Grain Advance Payments Act and the second which is the Advance Payments for Crops Act. These two acts service two very specific parts of the country. The Prairie Grain Advance Payments Act services the area of Canada which produces wheat, barley, and it used to for oats, those areas which are under the jurisdiction of the Canadian Wheat Board. The Canadian Wheat Board is the administrative body for this particular act.

The Advance Payments for Crops Act covers almost all other crops designated across the country. There are people in almost every province of Canada who have taken advantage of this act. In British Columbia, 1,000 people took advantage of it. In Prince Edward Island, where I think the amount is not quite so large, 214 people took advantage of it in 1987–88. The total who took advantage of the act in 1987–88 was close to 10,000 farmers.

The Prairie Grain Advance Payments Act serviced a good many more than that. Twenty per cent or 25 per cent on occasion, sometimes higher, of the farmers in western Canada who hold permit books have taken advantage of the Prairie Grain Advance Payments Act.

Right now, in both of those areas, there are farmers in crisis situations. In fact, in rural Canada—and I am not speaking entirely of agricultural rural Canada—forestry, fishing and agriculture are in crisis positions. Therefore it is very difficult to understand why this government which claims to be so concerned about the welfare of the agricultural community should choose at this time to withdraw from this particular field. This withdrawal amounts to approximately $40,000 out of the pockets of the farmers of western Canada in this year in interest to the loans that they could have made. As far as the Advance Payments for Crops Act is concerned, it is my understanding that very few people will find it of value if they have to pay interest for their loans.

The reason for these two acts is interesting. The history should be known as part of the debate on this issue. The Prairie Grain Advance Payments Act was put in place by the Diefenbaker government in 1957. At that time we in the prairies were having difficulty in getting our grain to market. We were having difficulty storing it and the world did not need our grain in the fall. So the Diefenbaker government put in place the Prairie Grains Advance Payments Act which allowed the farmer to get some of the money for his crop. It actually enabled the farmer to sell some of his crop. When he delivered the grain to the elevator later on, that portion of the loan was taken from the crop he delivered.

• (1640)

Once it was in place, the government, the farmers and the grain industry recognized that this had far-reaching benefits because it allowed a spread-out of grain deliveries across the year. It allowed the Wheat Board to not

get a huge amount of delivery in the fall. It allowed the delivery of grain to be spread out so that they could supply the world market in a more orderly manner.

Because the Prairie Grain Advance Payments Act operated so well, in 1977 the government brought in the second act, the Advance Payments for Crops Act. This was essentially brought in to cover crops in eastern Canada. However, it now covers crops in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Prince Edward Island. It covers those crops that are not under supply-management and those crops that are not under the Wheat Board.

The primary purpose of the Advance Payments for Crops Act was to encourage orderly marketing. It has been very successful in doing that. This government has a penchant to deliver to the marketing structure rather than to allow security for the farmers or the producers of variety products. Their bible, if you wish to say that, is the market system. The market system, however, in agriculture always seemed to pay less in the fall when we had the crop. Then, after you had delivered it, the prices started to go up. When you did not have any grain or any crop to deliver in the spring or in the mid-winter, the prices were high.

The act allowed the farmer to hold the crop in his bin, get some money to pay his bills and then sell it at the higher market. It worked well. It worked for the benefit of the farmer, but it also worked for the benefit of the processors and the products that were handled in the industry, because it spread the delivery over a long period of time.

The government says that it is urgent that it get this bill through. How is it urgent? There is an act in place. If the legislation is in place which would allow this government to provide interest free loans to the western grain producers, if they wanted it, and interest free loans to the producers of other crops across Canada, there is a statutory requirement in place that all they have to do is make the move and the money will become available. Nobody here or in the country believes that they could not do that and could not make that money available very quickly if they really felt strongly about getting this money out to the farmers at this time.

The reason the Minister of Agriculture gave for the change in the act was the deficit. The cost of this program, about $40 million, is about $20 million out of the farmers' pockets this year and another possible total of $100 million over the next crop year. This total would be the cost to the government. It is not much of a contribution to the deficit, yet it is a tremendous amount to take out of the pockets of individual farmers.

Over the years it has become quite obvious that in agriculture, along with fisheries and forestry, rural Canada needs some kind of structure in place which allows sustainability, which allows those parts of Canada that are dependent upon those industries to remain productive and viable. These two acts were a very small part of a structure which attempted to do that. What we need is something much larger and much more secure than these two acts. But these two acts were there and gave the farmers the kind of support they needed when they needed it.

We have a tendency to say that this is support to the farmers. It is much more than that because the farmers across Canada get their supplies, usually on credit, from the small villages, the towns or even the cities around which they live. They buy their inputs from those areas on credit. When they get these advance payments, they are able to pay their bills. They are able to pay their bills without increasing their debt burden.

One of the things that everybody in Canada knows is that the debt burden of people in agriculture is huge. The total debt for agriculture across Canada right now is something over $23 billion.

What the government is asking these farmers to do, because it is the farmers who are already short of cash and who will make these loans, is to add on to that debt and increase the possibility of them going under. The possibility of them being foreclosed on or going under is very real.

In my province alone there are over 10,000 farmers right now being served with foreclosure notices, foreclosure notices which will take part of their land, part of their machinery or affect them in some way. Those are only the notices that we know about, the changes in ownership and structure of the rural community that we know about. A lot of farmers just throw up their hands and sign a quit claim which allows them to turn over, with a certain amount of saving of face, their farm or part

of their farm and either rent it back or let somebody else farm it for the next few years.

We have a disastrous situation, a crisis situation on the farm these days. We have a government which says: "We want to save a little more money and this is one place where we can save it", at the expense of the farmer.

The point has been made often today and before that it is not a large number of people. It might not be a large number of people, but it is a fair sized group. As I pointed out before, the number of people in 1987–88 who made use of the Advance Payments for Crops Act across the country was something around 10,000 farmers. The number of people who made use of the Prairie Grain Advance Payments Act was approximately 20 per cent of the 150,000 farmers who have quota books.

• (1650)

It is not as if this is a small group. Of course, it is the group that needs it most, in most cases. I know, and the government can point to this I am sure, that there are people who make use of these acts who do not need it. However, it would be very simple to put into the applications for advance payment some requirement which would at least force them to tell the producer organization, which in many cases is made up of their friends and neighbours, whether or not they had a cash flow problem. I am sure that the supplier down the road could tell you right now which of the farmers in the community have a cash flow problem and which ones do not and, therefore, which ones need advance payment and which do not.

I reiterate, this is not the time to move away from interest free advance payments. This is not the time to move into something which puts the farmer in a position where he has one more burden to worry about.

I support wholly the hoist motion which was moved by the member for Algoma which suggests that we forget about this bill now and look at it again six months from now. I would much rather of course see the government withdraw this bill now and put into effect the present legislation which would allow, within the next month or to, the bringing in of supplementary estimates, if they wish—they say they do not have any money in the budget—which would allow them to cover the loans that might be made.

This government has, over the years, suggested that they do everything by consultation, that they are very good at consultation. We have had a number of farm organizations that have questioned that. They said: "Yes, they come to us and they tell us what they are going to do. They leave and do what they want". They do not consider that consultation. In this particular case had they consulted with the farm producer groups across Canada—and those farm producer groups are a cross-section of the agricultural community and include the Prince Edward Island Potato Marketing Board, the Prince Edward Island Grain Growers, the Corn Growers of Ontario, the Ontario Corn Producers Association, the Ontario Soybean Growers Marketing Board—maybe they did consult and went ahead, as usual, doing what they intended—they would have found that there would be no support for the removal of the interest free portion of these acts.

The government has suggested that one of the reasons why it changed the act was to increase the levels, which were $30,000, $60,000 and $90,000. I suggest, first, that it is very easy to do this if you are borrowing the money and not having to pay the interest on it yourself. Second, this is a pretty good indication that the people they are worried about are the top level people who may not need this in the first place. It is the small farmer who made good use of this and would continue to make good use of this.

I support fully the hoist motion that this bill be put aside for six months and be brought back and, in the meantime, that the present legislation be continued.

Mr. Weiner: Mr. Speaker, I give notice that at the next sitting of the House, immediately before the Order of the Day is called for resuming debate on the motion for the second reading of Bill C–36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, and any amendments proposed thereto, I will move that the debate shall not be further adjourned.

Mr. Hovdebo: I submit, Mr. Speaker, that the minister is out of order. I am still in the question period of my speech. Consequently, he does not have the floor for that particular reason.

Mr. Deputy Speaker: The Chair finds the notice by the minister to be in order.

Mr. Flis: Mr. Speaker, I believe the hon. member who made that motion is in order, but it would have to come from an urbanite like that to slander the farmers of this country. I, too, live in a large city, but I would like to stand up in my comments and questions to tip my hat to the farmers and the food producers of this country.

Some Hon. Members: Hear, hear!

Mr. Flis: They are the hardest working and most efficient food producers in the world.

Some Hon. Members: Hear, hear!

Mr. Flis: With markets around the world becoming so competitive, we should be doing everything within our power to help our farmers stay competitive and be more competitive. What is this government doing? It is doing everything in its power to pull our farmers under.

I would like to ask the member for Saskatoon—Humboldt what the trend is in his riding because I drove through there this summer visiting places like Kuroki, Wadena, Watrous, Wishart, Wynard, all the way to Saskatoon. I am sure his riding touches many of these towns.

I was born and raised on a farm. My parents farmed for 25 years. With four sons and two daughters, my father saw no future on the farm. He had to abandon the farm. I would like to ask the Hon. Member whether that trend is still continuing or are we saving the family farm. Is the trend of abandoning farms still continuing?

Mr. Hovdebo: Mr. Speaker, as I pointed out earlier, in my province, even very close to my home constituency in that area where the member was travelling, in some cases as much as 75 per cent of the farmers in some communities have received foreclosure notices and are in the process of losing part or all of their land. They may keep on farming it for a couple of years, but in the end it will go out of the family. It usually goes to somebody else. It means consolidation. The lands will continue to be farmed but by fewer people.

If we had in place a structure which would guarantee a fair price cost of production return on the products which are produced, we would have a viable and an economic industry right across Canada, particularly on the prairies. But we do not have that guarantee. Only if one is in a supply management product can one have that kind of guarantee. Even that is being undermined by the policies of this government.

* * *

[*Translation*]

PRIVATE MEMBERS' BUSINESS

SPEAKER'S RULING

Mr. Deputy Speaker: I have received written notice from the Hon. Member for Essex—Windsor (Mr. Langdon) that he is unable to be present to move his motion during Private Members' Hour on Friday, October 6, 1989.

It has not been possible to arrange an exchange of positions in the order of precedence pursuant to Standing Order 94. Accordingly, I am directing the Table Officers to drop that item of business to the bottom of the order of precedence.

Private Members' Hour will therefore be suspended and, in accordance with Standing Order 94, the House shall revert to the business before it prior to Private Members' Hour.

[*English*]

It being five o'clock the House will now proceed to Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

HEALTH

RESEARCH INTO FOOD ADDITIVES

Mr. Chris Axworthy (Saskatoon—Clark's Crossing) moved:

> That in the opinion of this House, the government should consider the advisability of undertaking research on the cumulative or combined effects of food additives and pest-control products in the Canadian food supply.

He said: Mr. Speaker, I am pleased to speak today on an issue that dramatically illustrates the connection between concerns for the environment, human health, and the connections between those two things and economic decisions.

As the critic for health for the New Democrats I have been advocating the restructuring of our health care system to emphasize preventive measures. A full program of preventive care requires that no government decision be taken without integrating concern for human health into the equation.

To me this is a logical step to take along with my party's expressed support for sustainable economic development as set out in a valuable study recently completed by my colleague from Skeena, entitled "Towards a Sustainable Future".

As a species dependent on the earth for our mental and physical well-being, environmental issues are at the same time health issues. It is becoming increasingly clear that by destroying the environment, we create health risks. Destruction of ozone leads to skin cancer; lead emission from car exhausts cause cancer; global warming affects growth patterns causing food shortages and so on. The list is a long one, as we all know.

The issue is not simply protecting the environment. The issue is protecting ourselves. The topic of food additives and the use of pesticides integrates the environment and human health into economic decisions. The misuse of pesticides as we know can destroy wildlife and damage water systems. The accumulation of chemicals in the food supply is increasingly becoming a health hazard.

It is my belief that most members of this House support the goals of reducing our dependence on chemicals and ensuring the highest possible standards in our food supply. Of course taking this approach will give rise to expenditures of money at a time when all initiatives are being sacrificed by this government on the altar of deficit reduction. Those who place government austerity above measures to protect our environment should be looking over their shoulders. Most Canadians are willing to pay to protect the environment and their health. They are showing a greater willingness to vote on the basis of those concerns. Even food suppliers, and Provigo is a good example, are beginning the process of responding to that demand by agreeing to disclose all pesticides used on produce they sell. So while business is responding to these things it appears the government it is not doing all that it might.

I encourage the Standing Committee on the Environment to continue the work started in the last Parliament on pesticide use. In particular, the review could be of assistance in encouraging public participation and public information in the ongoing debate over pesticide use. In particular, the ongoing review by the Pesticide Registration Review Secretariat, which I welcome, should be accompanied by the greatest possible public participation. The review could allow for public hearings next year to cover the whole pesticide debate. Involvement of the Environment Committee could ensure that wide attention is brought to the efforts of the secretariat and pressure this government to clean up pesticide registration, the control process, and the enforcement process.

There are two points that I think the Review Secretariat might pay particular attention to. The first relates to concerns voiced in a very wide-spread manner about risk benefit analysis versus risk assessment. In terms of risk benefit analysis generally what is at stake is the risk, for example, the risk to our health against the economic benefit on the part of producers. That sort of economic trade-off has given rise to considerable problems over the last little while and given rise to considerable concern about the use of pesticides and chemical additives in our food.

The second point the Review Secretariat might want to pay particular attention to is that there is no public participation in the whole process of licensing and enforcement. There is not adequate information on decisions which are made and the reasons for those decisions, nor of the health and environmental data used in considering the registration of pesticides.

Canadians are concerned about pesticides and the dangers associated with them, and with the dangers associated with other chemical residues in our food. There is considerable concern in Canada now with the safety of our food supply.

The use of pesticides is widespread. They are sprayed on fruits and vegetables and on other plants to kill parasites, fungi, and weeds. They help protect produce from bruising; they ripen it and give it a better colour; and they are used to control parasites that bother farm animals. As a result, they show up further down in the food chain in the meat we eat. They are a pervasive presence in our food supply.

The issue has been treated as one of balance, of balancing the health interests of Canadians against the economic interests of producers and manufactures of food and of importers and retailers of food.

There are those who express an optimistic view of the effect of pesticides and chemical additives. Among those, is Dr. Losos, director general of the laboratory centre for disease control of the health protection branch of Health and Welfare Canada who says:

> No one can state for certain that anyone ever got cancer as a result of eating something that contained pesticide residues.

Such a cavalier approach to the problem is counteracted by the fact that some 10,000 cases of bacterial food poisoning are reported to health and welfare each year. I think we have to be concerned about the effects on the health of Canadians of these additives and pesticides. We must put safety and health first. We must ensure that we do not risk the health and safety of Canadians. We must reduce the damage we are doing to our environment.

Scientific opinion recognizes that virtually all pesticides are toxic, at least to some degree. Much of the debate to date has been about the setting of limits and the process by which limits are set.

Pesticides play a vital role in modern agriculture, but there are concerns about dangers to users, the environment, and consumers. Many chemicals and derivative compounds apparently in use are carcinogenic, and other chemicals can have neurotoxic effects and can alter neurological functions.

Food is highly likely to contain some level of pesticide residues. In fact, the U.S. Food and Drug Administration in 1987 found that 50 per cent of all fruit samples had detectable levels of pesticides. There is no safe level. Regulators cannot guarantee safety and cannot guarantee that no harm is occurring. Instead, we talk of risk benefit. Does the benefit of the product, usually economic, outweigh the probable harm in terms of health of the user, in terms of health of the consumer?

The objective of the process of regulation should be to ensure that only those pesticides and food additives which are safe and do not create a health hazard are put on to the market. The process at the moment of registration and control is an often haphazard one involving Agriculture Canada, Health and Welfare and provincial agencies.

There has been a good deal of criticism of the way in which both the risk benefit analysis has been carried out, the concentration on risk benefit analysis, and on the resources available for ensuring that effective controls are in place.

The Auditor General recently criticized the process of testing for pesticide residues, concluding, in part, that for many products the Department of Agriculture does not know the extent of human health risks posed by chemical and bacterial contamination in these foods and cannot assure itself that its inspection resources are directed to where these resources are greatest.

I would like to raise one other concern about the present situation in which we find ourselves with regards to the regulation of pesticides and food additives, in particular dealing with pesticides and then perhaps make a couple of suggestion.

This already difficult situation with regard to the registration of pesticides and the enforcement of pesticide control and food additive control has been extenuated by Schedule 7 of the free trade agreement which Canada recently signed with the United States. Schedule 7 deals with pesticides and with a move towards the equivalence of standards. Schedule 7 requires that there be work toward equivalent guidelines, technical regulations, standards and test methods; that there be work toward equivalent residue monitoring programs; that there be work toward equivalent technical regulations, standards or certifications for those pesticides; and work towards equivalence and the process for risk benefit assessment, tolerance setting and the setting of regulatory policies with respect to certain pesticides.

• (1710)

Canadian standards tend to be more rigorous than those in the United States, and the government has agreed, through this process of equivalence, to begin the process of reducing our standards and thus the degree of protection available to Canadians. At least, in this particular schedule, the free trade agreement does not talk about harmonization, but it does talk about equivalence, the bringing down of those standards.

Mr. Boyer: Or the raising up by the Americans.

Mr. Axworthy (Saskatoon—Clark's Crossing): Well, it is very unlikely that we are going to see the Americans raising their standards to our standards.

Mr. Boyer: Why?

Mr. Axworthy (Saskatoon—Clark's Crossing): The number of producers in the United States is significantly higher than the number of producers in Canada and the number of products available is significantly higher than those available in Canada.

What we need is a new method of pesticide registration to ensure that questions of health and environmental effects are more effectively put into the technical and economic equation. The costs and risks of pesticide use must be determined and research must be conducted into additive effects of chemicals on the environment, the users, and the consumers.

Users and consumers must be fully informed of the risks they face, and that includes adequate labelling of pesticide products to include health assessments. Food labelling must also include additives and the probable presence of pesticide residues in food irradiation. All those things would assist in ensuring that consumers are well aware of the procedures to which their foods have been subjected.

It would be useful also, as many have called for, if the government would create a new classification for fresh and processed foods which are pesticide free or organic foods which ensure that the consumers are well aware of the lack of presence of pesticides in some of the products that are available.

One of the serious problems that has arisen with regards to pesticides and chemical additives, as raised in the motion, is that we have very little knowledge of the cumulative effect of the various pesticides and chemical additives in our food today. There is a notorious chemical soup of products and additives out there and we really have very little understanding of how they all fit together.

Tests which are generally conducted are tests about the toxic nature of one product being used alone, separate from all others. What scientists see from these toxicity studies is the specific result of using just one chemical, one pesticide, or one additive. What Pollution Probe has called for is a significant exploration of the interaction between chemicals and the total chemical load on the population from pesticides, food additives, and the seemingly endless list of industrial chemicals that are available.

The number of pesticides alone is formidable. More than 600 of them are used throughout the world and about 220 are currently approved in Canada. Because so many factors, including pesticides, chemical additives and many other things that are present in our environment, contribute to the health difficulties that people face, we need another way of assessing toxicity and of testing for chemicals other than just concentrating on one single commodity at any given time. There are many things that the government could do to place a higher priority on the health of Canadians in this context.

As I have mentioned, first of all we need a more public process for the assessment of regulating pesticides and food additives and we need to ensure that we not only perform risk benefit considerations, that we do not face off health and economic matters, but indeed that we ask the real questions as to what risk these products give rise to.

We must pay particular attention to the compounding effects on all of the various chemicals utilized at different stages of our food production process. We must find out what is happening. We must conduct research on the cumulative effects of food additives and chemicals. This would be a critical step to take.

In conclusion, I would say that the government should take action on this immediately.

Mr. Jack Shields (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the proposal before us today is to consider whether the government should undertake research on the cumulative or combined effects of food additives and pest control products in the Canadian food supply.

As you are aware, Mr. Speaker, and I am sure all members of the House are aware, rigorous controls are in effect with regard to both pesticides and food additives. For example, pesticide products are registered in Canada under the Pest Control Products Act. This act is administered by Agriculture Canada with registration of products occurring only after extensive consultation with various other government departments, including the Department of National Health and Welfare, and Environment Canada.

Health and Welfare evaluates the safety of these pest control products, both for the potential hazards of residues in foods and for occupational exposure risk to workers using these materials. Unlike the registration systems in some other countries, the Canadian registration process is extremely rigorous and places paramount importance on the safety of the pest control product both to the users and consumers of foods treated with these substances.

Residues in foods are regulated under the Food and Drugs Act and regulations through the establishment of maximum residue limits. Such maximum residue limits incorporating substantial built–in safety factors are set as low as possible and are based on both safety considerations and good agricultural practice.

Over the years, the increase in scientific knowledge, coupled with the evaluation and re–evaluation of pest control products has resulted in Canada enjoying one of the safest food supplies in the world. New pest control products are subjected to more and more stringent evaluation while older products such as DDT and Alachlor exhibiting definite or suspected safety hazards have been removed from the Canadian marketplace.

This strict evaluation process, in conjunction with the maximum residue limits under the food and drug regulations have shown positive results in the national pesticide monitoring survey, which indicates that a very small number of violative residues are being found in foods. In addition, the ongoing Canadian market basket survey indicates that the majority of foods consumed by Canadians contain little, if any, pesticide residues.

It must be kept in mind, however, that the food supply is, in fact, a collection of chemicals, such as proteins, minerals, vitamins combined in a variety of ways. Many of these chemicals are eaten in concentrations much higher than the residue levels of pest control products. It has often been stated that some of the naturally occurring chemicals are much more toxic than most of the pest control products in use today. If these natural chemicals were subjected to the same rigorous evaluation as the registered pest control products, it is possible that portions of the Canadian food supply would disappear.

Because of the vast number of chemicals and the multitude of permutations and combinations of interactions involved, a study of all possible combined effects of selected substances would be virtually impossible to carry out. It would also be extremely costly.

It also to be borne in mind that foods have been eaten for centuries with little evidence of any cumulative or combined effects. One therefore wonders when the residues of the pest control products are so low in comparison to other naturally occurring chemicals, what additional benefits for the consumer would arise by a study of the cumulative or combined effects of this group of compounds either singly or in possible combination with other substances such as food additives. This is particularly questionable in the face of no substantial evidence of existing hazard.

As I mentioned before, the available monitoring data indicated that the use of pest control products in Canada generally results in residues which are either non–detectable or at levels well below the established maximum residue limits established under the Canadian food and drug regulations. Furthermore, there is no scientific evidence to suggest that Canadian consumers have been exposed to hazardous or harmful pesticide residues in food as a result of the legal use of these products.

• (1720)

In fact, over the past three decades, there has only been one case of pesticide poisoning due to contaminated foods. This case, which was handled by regulatory authorities, was due to an illegal use and resulted in only temporary discomfort for the consumer involved.

Another fact to consider is that the majority of the pest control products sold in Canada are herbicides which are used for weed control. These herbicide products are generally applied very early in the growing season and therefore usually result in very low, if any, residues at time of harvest. Based on these considerations, together with analytical data on residues, the potential for the cumulative or combined effects of chemicals in foods to produce adverse consequences is, indeed, relatively small.

It is also important to note that the Canadian diet is very diverse and it is very unlikely that an individual would eat the same food every day without fail for his or her lifetime. Even so, the scientists in health and welfare assume this to be the situation when establishing maxi-

mum residue limits in order to determine the worst case estimates of intake.

I would like to repeat that, Mr. Speaker. It is important to note that the Canadian diet is very diverse and it is very unlikely that an individual would eat the same food every day, without fail, for his or her lifetime. Even so, the scientists in health and welfare assume that this is the case and that that is the situation that exists when establishing maximum residue limits in order to determine the worst case estimates of intake. This procedure, therefore, provides an additional margin of safety for the consumer.

It is also of interest to focus on the question of the cost of the studies which have been suggested by my hon. friend. The best information from private companies and national organizations involved in the pest control product industry indicates that the cost of development of a new pest control product in Canada is $30 million to $60 million and represents at least seven years of intensive research. The cost of the toxicology assessment portion of this data package represents an estimate $8 million to $10 million. These costs are borne by the industry interested in marketing a given product.

To suggest, therefore, that the Canadian government undertake research on the combined or cumulative effects in the pesticide area, which would cost millions and millions of dollars, would certainly be a tremendous burden in an era of restraint, particularly when no substantial benefits to the consumer would likely result.

In summary, there has not been any substantiated reports of combined or cumulative adverse affects in humans due to pesticide residues in food with or without other components such as food additives. The products used on any one crop are generally diverse and do not have the same mode of toxic action. The residue levels of pest control products in the Canadian food supply are generally very low or non-detectable. Acceptable daily intake levels, which are determined for individual chemicals based on extensive toxicity tests on laboratory animals, have built-in safety factors.

All of these facts lead this government to believe that this motion and its potential for expenditure of millions of taxpayers' dollars and years of government research manpower is not supported by a real need.

[*Translation*]

Mr. Marc Ferland (Portneuf): Mr. Speaker, the motion before the House today asks us to consider whether the Government should undertake research on the cumulative or combined effects of food additives and pesticides in Canadian food products.

The Health Protection Branch of the Department of National Health and Welfare is responsible for monitoring pesticide residues in food and the use of food additives.

These chemical substances are currently subject to a comprehensive assessment process before they are approved for use in Canada. At this point, it would be useful to take a brief look at the assessment process, especially where pesticides are concerned. A similar procedure is also followed for additives.

The term "pesticide" includes a whole range of products such as insecticides, fungicides and herbicides.

In the case of most of these product categories, progress made in chemical research during the past twenty years has led to new types of compounds with enhanced specificity, reduced persistence in the environment and lower toxicity for mammals. In many cases, enhanced specificity has meant a reduction in the quantities involved, selective application and lower concentrations of residues in food crops treated, at the time of harvest. Nevertheless, food may contain low concentrations of pesticide residues, and the Health Protection Branch of the Department of National Health and Welfare is responsible for evaluating the potential dangers of these residues and establishing, if necessary, maximum limits in accordance with Canadian food and drugs regulations. We may point out that the presence of pesticide residues is not necessarily harmful to consumers.

Maximum residue limits are established only after a complete assessment of various toxicological tests that are used internationally. These tests include studies on acute toxicity, both short and long term, and are carried out on various animal species in order to investigate a wide range of possible harmful effects, including cancer.

The daily admissible dose for a pesticide has a built–in safety factor that allows for the kind of toxicological effects observed in the animal species tested. The daily admissible dose represents that quantity of pesticide that may be ingested daily during a lifetime, without harmful effects. This figure is used to determine the safety and appropriateness of the suggested maximum limits.

The use of pesticides in Canada is based on the principle that the quantity of pesticide applied to a food crop should be the minimum that is required for effective control. Maximum limits are established after analysing the data on residue obtained through tests in real conditions based on the worst case estimate of intake in other words, one tries to obtain the strongest concentrations that could be expected under typical conditions of use. The maximum residue limit represents the maximum quantity of a given pesticide that may legally be found on a given food product. These limits are usually established using a whole, unprocessed agricultural product at the time of harvest, which may be seen as an additional safety margin. Since the concentration of many residues decreases during storage and transportation, and of course when the food is washed, ground and cooked, the residues in many cases fall well below the maximum acceptable limit and frequently are not detectable.

To enforce the food and drug regulations, the Health Protection Branch continually monitors Canadian and imported food. This surveillance shows that generally food contains pesticide residues in concentrations well below the maximum thresholds. In the rare cases where violations are found, they are mainly due to the use of a pesticide on a crop not being registered in Canada, although in some cases, higher upper limits had been authorized for the same pesticide on other food products. When violations are brought to light, appropriate measures are taken, including recall of the food product, Mr. Speaker.

The statement that actual pesticide residues are well within the statutory limits is also based on the preliminary results of the most recent comprehensive diet study conducted between 1985 and 1988 by the Department of National Health and Welfare. This study makes it possible to estimate the proportion of chemicals in humans from an analysis of these substances in composite samples of representative foods in the average total food intake of the population. The samples analysed are obtained in the marketplace and prepared for use just as in an average home kitchen.

• (1730)

Preliminary results confirm previous findings that any pesticide residues are in concentrations well below the statutory limits and that for the most part, they represent only a small fraction of the allowable daily dose calculated by the Health Protection Branch.

Mr. Speaker, no pesticide can be considered absolutely safe, but it is important that this danger be linked to exposure.

As was mentioned before, the mere detection of a small dose of such a substance in food does not mean that this substance is necessarily dangerous. Indeed, some common garden vegetables naturally contain substances that produce significant toxic effects in laboratory animals when administered in high doses.

In some cases, the concentrations of these vegetable substances is higher than those reported for synthetic pesticides or food additives. In any event, no data lead us to believe that eating such food as part of a well–balanced diet can endanger consumers' health.

Before beginning research on the cumulative interactions and potential combined effects of these residues in low concentrations with other substances in food, we should first consider Canada's safety record over the last 20 years. No death or illness due to pesticide residues in legal amounts has been recorded. Indeed, the only proven death resulting from the consumption of a pesticide residue in food that was recorded in Canada was due to the illegal use of a very highly toxic pesticide on cucumbers.

In summary, Mr. Speaker, since the recorded concentrations of pesticide residues in Canadian food supplies are very low and Canada's food safety record with respect to these substances is excellent, doing research into the cumulative or combined effects of pesticides with other substances such as additives in Canadian food products does not seem *a priori* to be a priority for now or likely to become one.

[*English*]

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the Hon. Member for Saskatoon—Clark's Crossing has in a very thoughtful speech put before us this afternoon this question of what happens when food additives and pesticides that are about us everywhere and in the food

chain combine one with another. What is the cumulative effect, the cascading effect, of more and more of these being added.

Given the fact that over 5 billion of us humans not to mention hundreds of billions of other animal and life forms are taking nourishment in various ways throughout every single day, there is no question but that this topic is one of central importance and in some respects relates to survival, because nourishment is what sustains life in all its forms.

I was glad to hear him take a thoughtful and essentially non-partisan approach in bringing this subject to the floor of the House this afternoon. I can, I guess, overlook a couple of areas where bias got into his remarks, where he felt he had to condemn the government and also take a side-swipe at the Americans and the free trade agreement.

I only want to say that I think Canadians expect parliamentarians to deal with issues of the environment in a way that is beyond partisan politics. There are certainly times and issues on which there will be differences in party opinion, differences of ideology, but in effect we have something here that, like several other issues in our country and at the international level, really are of transcending importance. Most Canadians that I know do not care what a party platform is or what a personal partisan drive is on an environmental issue. They want to hear answers that are concrete and specific.

To do that, I would first like to elaborate on the hon. member's plea to the government for a more public process and begin by referring to action that is now under way this year in the formation of the Federal Pesticide Registration Review Team.

This document which relates to the current activities of this Pesticide Registration Review Team has three points in it that I would like to mention fairly briefly. The first has to do with who are the members of this team. There are representatives from consumer groups, environmental groups, the farming community, labour, public health, biological, federal regulatory agencies, the forestry sector and the pesticide industry. It is a completely balanced, comprehensive and representative team of people to be involved in any review of pesticide use and registration in Canada.

The second point relates to a statement of purpose of this body. It is very brief, admirably expressed in one sentence, as follows:

> Recognizing the principles of sustainability, the purpose of the Review Team is to formulate recommendations for the Minister of Agriculture to adapt the Pesticide Registration process to changing policies and conditions with a view to ensuring the efficient federal regulation of pest control products that minimize the risk of harm to human health and the environment while meeting the needs of the stakeholders.

The third point that I would like to extract from this document for the purposes of the debate this afternoon is to note that as a result of their very first meeting earlier this year—this group continues to meet actively—20 separate issues were identified as constituting their initial focus. We are beyond the stage here of dealing with general statements or good intentions. We are down to dealing with very specific aspects of Canadian policy dealing with pesticides.

The issues include having a clear and central focus on where the federal decision-making authority for regulating pesticides is located; the extent and cause of backlogs in registering new products; the effectiveness of the existing Minor Use of Pesticides Program; the role of risk management principles in making regulatory decisions; the role of the public in the registration process.

Others include the co-ordination and co-operation with the provinces; co-ordination and co-operation between Canada and the United States; co-ordination of pest control products regulations with the important new legislation, Workplace Hazardous Materials Information System; enforcement program and penalty provisions; research permits; labelling; an ongoing review mechanism to ensure that the regulatory process can adapt quickly and fairly to changing needs and conditions. So it goes.

I am not reading all of this into the record but I did want to take the occasion to raise that for the consideration of members, particularly the member whose motion is before the House now, to indicate that this is not something that is new. This is not something that has caught the government by surprise, it is an issue that has for years been of central importance to Canadians, including previous governments. That is why Canada has had very strict and high standards relating to food, to consumer labelling, to ingredient identification. There is a separate issue that is somewhat related to this subject. We currently have a problem in Canada, and I believe

the Minister of Consumer and Corporate Affairs was responding publicly to it today, of American products coming into Canada that do not comply with Canadian labelling requirements. For example, there are boxes of cereal on which the Americans talk about cholesterol, but we cannot in this country even use that word on a product. There are many Canadian standards that are much higher and stricter which I would speak of if I had time, but perhaps another member can pick up this point.

• (1740)

I want to deal with the procedure that is followed in Canada for testing food additives, approving them and controlling them, because Canadian standards in this area are very high. Frankly, the member is promoting further research. I do have significant reservations about research which involves animals for testing. I recognize that medical research is very important in that area, but there are a lot of other areas of testing where I think we have to look with more care than we have in the past as to what we wish to subject animal populations to in the name of some form of research.

This is something that two other members of the House and I are currently investigating, the various animal testing laboratories under the aegis of the federal government. I will leave it to another speaker to go into that procedure in detail, but the result of that procedure is that Canada has the best record of safety in food on the market of any country. We have in fact a remarkable state here that whenever there is some problem with food poisoning, whether it be with the kinds of difficulties that the hon. member was mentioning, it is a cause for great consternation and discussion because it is the exception to the rule.

I think the issue is important but we must be very careful not to raise unfounded fears in this area but to deal with the facts and keep the system that we do have on the track, especially as it can be modified as the result of the work of this review team to whose activities I have drawn attention.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I am pleased to rise to speak on this private member's motion by the hon. member for Saskatoon—Clark's Crossing which reads:

> That in the opinion of this House, the government should consider the advisability of undertaking research on the cumulative or combined effects of food additives and pest-control products in the Canadian food supply.

I heard the member opposite say Canada has the best record in terms of testing and control for safety. I would submit that a part of progress is always to build on our strengths and to continue on. Research does not mean that we are putting into question the current state of the situation. It means we would like always to work for the health and safety of all Canadians.

People are becoming less and less confident about the adequacy of government regulations limiting drugs and chemicals in foods. The government does not ban fruits and vegetables when it finds low pesticide residues or forbid the dosing of animal meats with hormones and antibiotics. Warnings about tainted food may be issued only when a consumer falls ill, when a citizen becomes a patient. That is too late. That is not prevention.

Several events in the past year indicate that there is good reason for the public to be increasingly concerned about what is in the food they eat. I would therefore like to laud the member who introduced this private member's motion.

In October our own Canadian Auditor General, Mr. Kenneth Dye, questioned the adequacy of government food testing and pesticide-regulating programs in his annual report. So obviously there is room, in fact a great deal of room for improvement.

A study released in February by the Natural Resources Defence Council, the NRDC, in Washington, D.C., estimated that up to 6,200 pre-schoolers in that part of the country may eventually develop cancer because of repeated exposure to pesticide residues on fruits and vegetables. That figure certainly is alarming and is not acceptable to any citizenry, certainly not to Canadian society. The major cause for concern is the pesticide daminozide, known by its trade name Alar.

The Ontario government released a study last September that concluded that dioxins and furans, two families of toxic substances, can be found in low levels in many foods, including meat, poultry, wheat, eggs, fruits, vegetables and milk.

Now I would like to speak more about the pesticides. Federal government officials estimate that between 250 and 300 pesticides are in use. Pesticides are sprayed on fruits and vegetables and kill parasites, fungi and weeds. They help to ripen produce, improve its colouring and protect it from bruising.

Agriculture Canada states that about half of fruits and vegetables have residues below the tolerance level, and most meat products also contain minute traces of pesticides. But Diane Kirkpatrick, Director of Health and Welfare Canada's Bureau of Chemical Safety, says that while the government should remain vigilant in monitoring levels, unless that is done, consumers may not be safe because residues are below the stated limit. So there is a need for continuing research. There is a need for research into the cumulative effects of additives and food pesticides.

She also said that the government is not worried about minute levels of Alar on apples and that there is no concrete evidence from animal studies as yet that Alar is carcinogenic. But there is a principle in law: "Absence of evidence is not evidence of absence". We would not like to wait for the harm to happen. When we have demonstrated the harm, even in animal studies, we have to accept that and presume the safety of the individual is foremost in our minds.

The NRDC study states that Alar is a potent carcinogen. The U.S. Environmental Protection Agency, while it believes that NRDC's analysis is exaggerated, has, nevertheless, announced it is accelerating its proposal to ban Alar. So there was concern. Yet, Health and Welfare Canada has given the chemical a clean bill of health. So again there is a need for awareness on the part of the Canadian public.

The key difference between the U.S. and Canadian responses is how the governments interpret cancer risks from chemicals. Virtually all the information about the safety of chemicals comes from tests on rats and mice in the laboratory. In the case of daminozide and the chemical known as UDMH—the daminozide breaks down into a compound called UDMH when processed into apple sauce and apple juice—the laboratory studies to date are somewhat ambiguous. After the first year of a two-year study UDMH caused cancer in animals only at the highest dose tested. Canadian officials have interpreted this information to mean that UDMH is only carcinogenic when consumed in very large quantities.

By contrast, U.S. officials believe that, despite the uncertainties, there is a good chance that UDMH increases the risk of cancer even when consumed in much smaller doses.

I think the message here is, at a given point in time a particular dose of consumption may not be harmful. When taken over a period of time, cumulatively, it could harm the citizen.

The Environmental Protection Agency estimates that the levels of UDMH found in apple products present a lifetime cancer risk of about one in 22,000. Now, if you look at the risk of diseases in medical practice, certainly we worry even when the risk of illness is one in 22,000. We try to discover a cure. We try to discover a treatment. So if we do that in the day-to-day practice of medicine, then certainly we should also be concerned about risk of cancer even if the studies are not quite definitive yet.

• (1750)

Although this is a minute risk for each individual, when averaged over an entire population, however, it appears much more significant.

The Environmental Protection Agency's analysis is correct. UDMH could cause about 1,000 additional cancers in a nation the size of Canada. That is alarming. The key question is what to assume for the purposes of a regulatory policy. This is where Canada's approach is disturbing. The U.S. assumptions are the most protective of health, while Canada's are much less so. If Canada is wrong there will be continued exposure to a cancer-causing chemical and an increase in deaths due to cancer.

The University of Western Ontario Geneticist, Dr. Joseph Cummins worries that a pesticide like Alar might cause rare blood vessel cancers and thus there will be a measurable increase in that kind of cancer in the future.

Linda Pim, a Toronto environmental biologist, has similar concerns about the long-term impact of pesticides. Although individual chemicals might be safe on their own, they might be dangerous in combination with others. Again, this is one aspect of harm that research as proposed by this motion could show the Canadian public and our Canadian health officials. I would say that the

government does not seem to appreciate the seriousness of these concerns.

I thought I could discuss the dioxin and furans, the two toxic families of chemicals, but I will respect the time you have allotted me and conclude that the government should place much more emphasis on the health of Canadians. If it did, it would be more concerned about the potential ill effects of pesticides, hormones, antibiotics and dioxins and furans. There is a need for more testing to be done to determine what levels of the substances are harmful and a corresponding review of the regulations which control their use.

I support this motion. When we determine to do research, when we try to establish what potentially could harm the Canadian public, there can only be progress, and therefore, I support this motion. I would like to ensure the continuing safety of Canadians through research.

[*Translation*]

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I welcome this opportunity to speak to the motion presented by the Hon. Member for Saskatoon—Clark's Crossing (Mr. Axworthy). The motion before the House today deals with a very complex technology, namely the analysis of non-harmful food ingredients such as additives and pesticides, a field that is highly specialized. The aspects of this motion which concern food additives could be used to illustrate the degree of complexity involved. Actually, it would be preferable to separate the cumulative effects from the combined effects of food additives, simply because these are two entirely different matters.

The comprehensive toxicological assessment that food additives undergo before their use in Canada is approved will provide most of the information on the so-called cumulative effects of these products in the human body.

Food additives are no different from other chemical products that enter the body and are used by the body, and more specifically, the myriad of chemical products contained in food which include proteins, carbohydrates and fat. Some are transformed by normal bio-chemical reactions as a result of the body's metabolism and can help the body produce energy, while others, because of their physical and chemical properties, may never be absorbed and remain basically unchanged after entering the body.

Others may be absorbed and subsequently eliminated.

Actually, the human body is a wonderfully effective machine that is constantly ingesting food, water and air and uses what it needs while getting rid of the rest in one way or another.

We can say that relatively few elements have a chance to accumulate in the body. Usually they are either used or eliminated. If food additives were to accumulate and if such accumulation were to have a toxic impact, this would be detected by the toxicological analyses that are standard for all food additives before they are approved for use.

If these studies showed signs of accumulation, a thorough assessment of the significance of these findings would be done before the additive could be approved for use in food.

To examine the somewhat more complex issue of the combined effects of food additives, we have to consider the thousands of chemical products to which the body is exposed when it ingests food.

If we add one or two food additives to this whole mixture of chemical products that naturally occur in food, we must not conclude that these additives will necessarily set off a toxic reaction.

In fact, the odds are there would be a much higher risk that some of the thousands of other chemicals products would react together. That is what happens in cooking, Mr. Speaker, when we prepare food.

In fact, it is difficult to predict all the reactions that can be generated by food ingredients, including additives.

However, just as when other food elements or additives or pesticides are involved, this issue is dealt with by chemists, nutritionists or professional toxicologists with the Department of National Health and Welfare, during the strict pre-approval process.

As you know, research in this area would not be particularly useful. Most of the food we eat is cooked, which brings about hundreds and thousands of changes.

However, cooked food is eaten every day, and food is cooked for health reasons, because this rids the food we will eat of micro-organisms that can cause problems in the area of public health.

If we were to have a research program on the combined effects of food additives, we would have to ask ourselves several questions, like: Were do we start? What combinations of additives must be considered? How should these combinations be studied? Perhaps some other benefits that the consumer might derive should be considered as well. And last but not least, what would such a study cost?

It must certainly not be concluded, Mr. Speaker, that such studies are not important in cases that can be easily identified and where the danger is known. However, there would be little interest in beginning an intensive research program to study all possible reactions.

Furthermore, it is not obvious that the reaction products would necessarily be toxic.

They might very well be quite harmless and be handled by the body almost like other food components such as proteins and complex carbohydrates that make up the food we eat every day and which the human body metabolizes without difficulty.

Mr. Speaker, food safety research is a very costly exercise requiring highly specialized scientific personnel and complex equipment worth hundreds of thousands of dollars.

Before beginning such a research program, a thorough analysis of the need and cost-effectiveness must be done to ensure that scarce funds are well spent.

Research on the food supply is and must be based—

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member, but his time is up.

The period for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

• (1800)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

IMMIGRATION—BACKLOG IN REFUGEE DETERMINATION SYSTEM

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, this government, through neglect of duty and abuse of staff, is building up a brand new refugee backlog crisis which may end in further injustice to refugees.

On May 9 of this year in Question Period I pointed out to the minister that her new system of refugee determination started on January 1, 1989 was breaking down. Of 2,806 cases opened in four months only 1,008 had received final decisions. The minister answered that the problem was just a matter of start-up troubles. She claimed she would, and I quote:

> —continue to ensure that there are enough resources available so the system will work well—

It seems she did not provide the resources. According to the report of the Immigration and Refugee Board for September 11, 1989, of 7,203 cases opened, only 3,243 cases received final decisions—only 45 per cent. The rest, 3,691 cases, are deferred at one stage or another. The pipeline is filling up fast.

There was a time when 2,000 or 3,000 cases was a dreadful backlog. We now have about 100,000 cases in the old backlog, mostly built up since 1984. How many more thousands will this government add in a new backlog?

There is a very plain reason for much of this breakdown—understaffing of the clerical work. This was an important part of the origin of the old backlog, understaffing of the clerical work. It then took three to six months to type a transcript of a hearing under oath and send it to the old refugee status advisory committee. So the backlog was launched. As it snowballed, the racketeers found the delays very profitable for bringing in bogus refugees just to benefit by even a couple of years of work in Canada before they would be sent away.

Now this government is doing the same understaffing that may launch a new round of racketeering. Appointments are now being made months ahead for hearings which were supposed to be done within a very few weeks. Morale is sinking low in the immigration refugee board support staff, as in the whole immigration department.

After working Saturdays, Sundays and nights overtime, week after week after week, clerks are transferring or quitting. This government, rather than developing a fair hiring policy to meet the need, is resorting to contracting out the clerical work in violation of the union contract. When the government pays a contractor, say Kelly Girl, $900 a week, but the actual girl doing the work gets only $250 a week, not only is the girl being cheated but the Canadian taxpayers are being cheated, and plainly, the work is not getting done right.

Why is this government sabotaging its own pet refugee determination program which it steamrollered through Parliament against massive public opposition?

Last December the minister threatened to apply the infamous safe third country clause of her new Immigration Act if the system began to break down. This is the clause they could use to send refugee claimants into orbit, bounced from country to country without ever getting a fair hearing on a claim. Is the reason the minister is allowing this new backlog to build up to create a so-called new crisis, to justify sending refugees into orbit?

The minister hinted on April 5, according to *The Toronto Star:*

> —she might drop a clause in the new refugee laws that would permit Canada to send back refugee claimants who arrive from a safe third country such as the United States—

I hope she will drop that clause and not use it. The United States is not safe for refugees from fascist governments in Latin America or Africa. They deport most of them likely to prison, torture or death.

• (1805)

Therefore, I call on the minister to clean up her act, to hire appropriate clerical staff for the immigration and refugee board, and to enter a bill in Parliament to repeal the infamous safe third country clause of the Immigration Act.

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I am glad to have a chance to reply to the Hon. Member for Trinity-Spadina because he raises this issue as someone who is passionately concerned about the plight of refugees and people who are caught up in the turmoil of bureaucratic procedures. I know that his commitment to the well-being of individuals is one that has caused him to raise this issue now and many times in the past and, no doubt, as long as he is a member of the House, he will continue to bring issues like this before us. It is a reflection of his commitment to seeing that there is justice for all who have anything to do with the Canadian government system.

I think it is fair to say it was that same feeling that motivated the government to bring about changes because of the unacceptable level in the backlog that was developing under the previous operation of the law and the procedures under that law.

The hon. member's concerns—I will not call it an indictment of the new system—that he is already raising about the new system are perhaps not premature but, to be accurate, this new system has been in place only since January 1, and I think there is good evidence as well that it is demonstrating that it can be both efficient and fair, and those two things have to operate simultaneously, I believe.

Claims to convention refugee status certainly are dealt with far more quickly than occurred under the previous process and that efficiency, in turn, is having, I think, at least two benefits. One is that genuine refugees are able to get on with their lives in Canada and, second the abuse by those who have had obviously unfounded claims is being deterred.

The hon. member mentions that 93 per cent of all claims are being referred to the immigration and refugee board and that is absolutely correct. But I think it is important to add that 93 per cent of decisions rendered by the board are to the effect that the claimant is a convention refugee. It was never anticipated that the "creditable basis" test would result in the refusal of a high percentage of claims. Its value has always been seen in its capacity to deter abuse by permitting speedy determination of those claims which lack an arguable base. A more than 30 per cent decrease in claims at ports of entry certainly demonstrates that the test has achieved its objective.

FISHERIES

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I have always felt that there was no point in rising if there is nobody to respond. I certainly would take the answer of the Parliamentary Secretary to the Secretary of State for External Affairs because his minister chairs the special cabinet committee and he might impose on his minister to pay some attention to the crisis that is developing on the east coast.

My question was to the minister on September 28 at which time the minister in his answer stated:

> —on my first review of the report—

This is a reference to the Haché committee:

> —it appears that in the present year there are no extraordinary circumstances of hardship which are unlike those of previous years with the exception of lower prices and the problems created by exchange rates.

I can only say that for this minister who has been the minister of fisheries now for a number of years cannot, with his experience, say that there are problems in the fishery this year and last year in the groundfishery is incredible. Municipal leaders said on July 11 that probably 12,000 people are affected directly by the groundfish quotas that were in place under this minister's management scheme. They are worried. They know the problems that will develop because there has been no work. This means that there will be larger welfare rolls because people do not have enough stamps to be able to collect unemployment insurance. There is a spin-off effect with lack of work. It means not enough taxes are collected.

• (1810)

The whole community is affected by the fact that this minister will not look at his management plan and say to the people in the southern end of Nova Scotia, "Yes, there is fish in the waters; yes, you should be able to go out and fish them." The municipal leaders are not the only ones. This week, I got a letter from the Yarmouth County Affirmative Action Committee dated September 15, before the minister's answer, which says that because of the problems the federal government has now instituted regulations which have placed thousands of western Nova Scotians on the unemployment lines. Thousands more cannot now qualify for unemployment insurance. Those are two groups that have directed their concerns to this government and they have not been listened to.

In the middle of July, after public demonstrations by the plant workers and the fishermen, two provincial ministers came up and met with the minister. We have had nothing as a result of that meeting. They met again with the Haché committee and said that it was the worst of times and that the management plan was not working. Yet, I do not know what it will take for this minister to start believing people like the member for South Shore who has been saying that there has to be a solution. An awful lot of the fishermen have only had six to eight weeks of work, not even enough for unemployment stamps. Today's paper says "Siddon's comments on fishery called unbelievable by industry". This is in *The Chronicle-Herald*:

> Glen Wadman,, vice president of the Independent Seafood Producers Association of Nova Scotia, said Wednesday the minister's suggestion that there is no crisis in the fishery is "staggering".
>
> We represent 31 independent fish plants, many of whom have workers that have only worked seven to 10 weeks this year—
>
> "Some of them are worried about having their telephones and electricity cut off. Some have had to take their cars back to the local dealers because they're trying to pay for their homes.
>
> To hear the minister make those kinds of statements— well, it's unbelievable.

Others are saying "Let the minister cut his salary by 30 per cent like he cut the quotas of the inshore fishery by 30 per cent". A longliner says, "Soon, because of the policies, they will be tied up." A longliner should never be tied up because it has a fishery that is selective.

I want to say to this House and to the representative of the government who comes from the west one thing. As the Yarmouth County Affirmative Action Committee says, it is noted, and my hon. colleague over there comes from Alberta, "that the federal government did provide extensive assistance to western farmers when drought struck the prairie provinces. The federal government is directly responsible for providing funding for a state of the art fishing fleet". They feel that if one area of the country is going to be helped by this government, why can the other area not be helped as well.

We have waited since the spring to see if there would be an imaginary fund focused on several times by the government saying that there was going to be help for the east coast. Yet we have a minister who says there are

no worries on the east coast, there is nothing wrong on the east coast.

• (1815)

There are people who have not worked who normally have had full-time jobs. There are 12,000 people who have worked in Shelburne, Yarmouth and Digby County directly in the fisheries. Over 5,000 of them are full-time plant workers. Let the minister go and tell them that they should not be working.

The worst thing that this Minister of Fisheries and Oceans has done is that he has not believed in the fishermen. He has not believed in the members of his own party who have told him that the state of the fishery is critical and needs to be taken care of and that his management plan is not helping the inshore fishery. He has not listened to the two provincial ministers of the Buchanan government who came here in July and went before the Haché task force and said there was a problem. He has not listened to anyone.

I think it is time that the Secretary of State for External Affairs, who is the chairman of the special committee, to look at the state of the east coast fishery, and started working as the Prime Minister said he would do to look at the conditions on the east coast. They have not done that. They have sat all summer and allowed a growing problem to exist while they have not listened to the people, the fishermen, the people who know what the conditions of the fishery are on the east coast.

Mr. Jack Shields (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, it is a pleasure to add to the minister's response that was given to the hon. member for South West Nova. I think it is very unfair for the member to accuse the Minister of Fisheries and Oceans of not listening to members of this House. Indeed he is and indeed he recognizes the problems that are facing the fisheries on the east coast, and on the west coast where we also have problems.

I do recognize, however, the passion and the feelings that my hon. friend for South West Nova has for her constituents. I understand those, coming from western Canada where we have had drought in the past. This is the first opportunity I have had since she came back to the House to publicly welcome her back after a little bit of a holiday—four years. I am glad to see her back. She is a feisty representative.

I will outline a little of what the minister is attempting to do, and I think my hon. friend will understand this also. She knows full well that a task force on the Scotia-Fundy groundfish was formed on July 18, 1989.

The terms of reference for the study were outlined to the chairman, Mr. Jean-Eudes Haché, in a letter from the minister and it includes the following issues: One, the adequacy of existing scientific advice on the Scotian Shelf, Georges Bank and Bay of Fundy groundfish fisheries; two, he wanted to know the basic management principles of the Scotia-Fundy groundfish fishery, including such things as the impact of present harvesting on the resource as well as the different fleet sectors; the effectiveness of conservation controls and an assessment of the capacity of existing fleets; three, the economic impact of alternative fishery management approaches on individuals and companies involved in the fishing industry and communities which are dependent upon the fishery.

The minister directed Mr. Haché to take into account all fleet gear sectors and to pay particular attention to the work and recommendation of the Scotia-Fundy capacity committee, an industry committee which deliberated for approximately one and one-half years on the question of vessel capacity in the Scotia-Fundy fishery. He was further instructed to keep an open mind on all of their options for management as well as to develop alternative approaches to fisheries development, including promotion of conservation-oriented technologies and the exploitation of underutilized species.

The task force began meeting with the industry and the general public on July 18, and completed its hearings on August 31. Some 30 meetings were held across the Scotia-Fundy region from Sydney to Campobello Island. All meetings were open to the public and the press were present at all meetings.

In total, some 61 written briefs were received by the task force as well as many oral presentations.

• (1820)

In addition, numerous suggestions, observations and recommendations were put forward during the open, free and often lively discussions that took place. Little consensus on potential solutions were apparent.

I notice you are giving me the sign to finish, Mr. Speaker. The minister is attempting, with a basis of good knowledge, good understanding and good input from the east coast fisheries, to come up with solutions that will be long lasting and effective. In the meantime, I would

support the member for special support in the interim to help the Nova Scotia and the east coast fishermen over this rough period. I think all members in this House of Commons would agree with me.

IMMIGRATION—INVESTOR PROGRAM—SPECIAL MINISTERIAL PERMITS/GOVERNMENT RESPONSE

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to have the opportunity of discussing and debating during this late show. A question that I posed to the Minister of Employment and Immigration on June 19, 1989, which dealt with the fact that the government had used 100 ministerial permits to extend free entry into this country for people willing to invest under the investor program that was introduced and announced by the government back in 1988.

The problem with that particular action, and who knows if it was repeated in the period between June and the time currently, was twofold. First, the program was amended and announced in 1988. There were expectations created and, therefore, a demand was created, but we have in this House no legislative and formal authority under that new program in legislation. Therefore, that introduces the possibilities, without formal authority in legislation, without proper criteria, for all sorts of abuse with respect to that new program that was articulated back in 1988.

The second problem, of course, is something that has plagued this government's entrepreneurial program which it has doubled since coming into office in 1984. I am not suggesting that there is anything particularly wrong with entrepreneurial immigration as long as there is a fair balance with respect to the other sources of immigration. The big problem is that once individuals get into this country on a supposed plan to invest, create or start a new business or plant, there is very, very little follow-up by this government to see if that plant, business or operation has indeed opened.

There have been many media reports in the last number of months to indicate that people get into this country with a visa on the pretext that they are going to create jobs and set up businesses when in fact those businesses are nowhere to be seen. There must be a way of ensuring that if people are going to build a better mousetrap factory in Edmonton, Alberta, they have to build that factory, because that is precisely the reason why their visas were extended to them.

The other situation that was very problematic with ministerial permits was the abuse of the principle of a ministerial permit. Traditionally, ministerial permits have been extended to people in very dire need for humanitarian and compassionate grounds. There was no compassionate or humanitarian grounds in terms of dealing with people wishing to invest their dollars and cents. Therefore, there was a double standard at play. People who wanted to invest capital in this country were quickly given ministerial permits. Yet, day after day, in this House and outside this House, we see cases of needy people, facing life or death situations, certainly humanitarian cases, not being able to find the time of day from this minister and this government.

Giving those other individuals special ministerial permits was, in fact, undermining the very concept, principle and tradition of the use of those ministerial permits. It is for that reason and the others that I raised the question in the House of Commons with the minister. We did not get a satisfactory response then and I am looking forward to a response from the parliamentary secretary to try to enlighten this House and those members who are currently in this place to try to arrive at a situation where—

• (1825)

An Hon. Member: Name them.

Mr. Marchi: Some members are asking me to name them. I have too much respect for the members in the House to begin to name them on national television. We wish to clarify two points in very quick order. The first point is that if the program does not have the legislative authority, why are we proceeding in such an ad hoc fashion.

The second point is that the ministerial permits are traditionally there to help those on compassionate and humanitarian grounds.

Are we prepared to enact the necessary legislation so that this program may be scrutinized by Parliament, given the proper authority, and set up the proper regulations and implement the appropriate criteria under which all investor category entrepreneurs can be, in fact, analysed and processed?

I look forward to my hon. friend giving us the information on these very important matters.

Mr. Jack Shields (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I always enjoy hearing my friend from York West during Question Period. He knows the meaning of opposition and he handles it very well. I welcome the opportunity to expand upon the reply given by the Minister of Employment and Immigration to the Hon. Member for York West on June 19.

Minister's permits may be issued for a number of reasons, and I think we all know that. In the case of immigrant investors, there are situations where the family with small children would want to arrive early in time for the school year, or to make additional investments in Canada that will contribute to creating jobs for Canadians.

Minister's permits may also be used for other types of situations outside the parameters of the business immigration program, such as humanitarian and compassionate grounds or in the national interest. I think this was outlined by my hon. friend. But I will give an example. A dependant of a person immigrating to Canada may have been found to be medically inadmissible and it has been established that public safety and financial and provincial jurisdictional factors are satisfactory. It is important to note that minister's permits are being used as a temporary measure for those who genuinely need them, pending passage of regulations or the approval of request for special authority of the Governor in Council.

I would also point out that the minister's permits issued to immigrant investors in 1988 represent .026 per cent of all minister's permits issued in 1988. I want to repeat that, .026 per cent of all minister's permits were issued under the immigrant investor program. That is very, very small indeed.

We are not extending special privileges to the chosen wealthy few, as my hon. friend has suggested. We are simply being fair and equitable to investors as we are to other categories of immigrants.

Finally, I would like to point out that the necessary amendments, as requested by my hon. friend, to the immigration regulations were prepublished on September 9, 1989, and should come into force in the very near future.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, October 6, 1989

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*Translation*]

FORGIVENESS OF DEBTS (SUB-SAHARAN AFRICA) ACT

MEASURE TO ENACT

Hon. Benoît Bouchard (for the Minister for External Relations) moved that

> Bill C-10, An Act relating to the forgiveness of debts incurred or assumed in respect of certain official development assistance loans made by the Government of Canada to the governments of certain countries in sub-Saharan Africa, as reported (without ammendment) from a legislative committee, be concurred in.

Motion agreed to.

Mr. Bouchard (Roberval): moved that the bill be read the third time and passed.

[*English*]

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): It is a pleasure to speak on this very important topic and to address this issue of assistance to developing countries, particularly in sub-Saharan Africa. As we all know, one of the most important issues of our time has been the growing burden of debt in the Third World. You are probably familiar with the old adage, Mr. Speaker, which states that "if I owe $1 million I have a problem. If I owe $100 million, the bank has a problem. But if I owe $1 billion, everybody has a problem". The situation with respect to world debt is just that. It is a problem not only for the countries involved, but a problem for all of us here in Canada and around the world.

• (1010)

While we support the general thrust of this legislation, we believe the government could go further in showing compassion and leadership in resolving this situation affecting the poorest of our developing nations. It is time for the government to demonstrate that Canada has a role to play in relieving the problems of the developing world, particularly those in Africa where we have had such a history of assistance under previous Liberal governments.

The recent cuts in CIDA funding which were announced in the budget do not augur well for the status that Canada has in the developing world. If we are to demonstrate that leadership role then we must continue to extend ourselves beyond what is reasonable to show our generosity to the Third World.

I must say it is more than just being generous, it is also good economics. Let us face it, many of these countries will never be able to pay their debts, and our forgiveness of the debts of these countries is really an accommodation to reality. Now, as the 20th century closes, we have entirely new challenges on the horizon on a world scale, in particular the dramatic problems of the environment, the question of the greenhouse effect and the depletion of our forests and our natural resources particularly in the Third World.

In North America and developed countries we have belatedly realized, after a century or two of profligacy, that we have depleted the forests. Suddenly we are asking the developing world to recognize that the destruction of their forests and the deforestation of their lands and their agricultural practices in the past are slowly strangling this planet. How can we now impose upon them these additional requirements, along with the debt that they have acquired in simply trying to feed their peoples, and to keep their economies going in relationship to the demands which the industrial society places on all the world? How can we expect these countries to pay off these accumulated debts and also meet these new challenges which will require major structural changes in their economies and will require attitudes that they have not had the chance to develop.

It is a simple case of not only reasonable charity but it is a case of accepting the facts in a situation where these countries have enormous debts which they cannot conceivably pay off.

We have to face facts. This government has to face facts. We have to find ways of accommodating the reality that these countries face. I think Bill C-10 is a small step in the right direction. It will alleviate the debts to us that have been acquired by a number of African countries. Let me list some of them for the record. There is the Republic of Cameroon with which Canada has enjoyed good relationships over the years. By virtue of the its bilingual character and its federation form of government, we have forged many links with Cameroon. It is only fair that we should begin to extend the hand of friendship to this country.

Others are the Republic of the Congo, the Republic of the Ivory Coast, the Gabonese Republic, the Republic of Ghana, the Republic of Kenya, the Democratic Republic of Madagascar and the Republic of Nigeria, the Republic of Senegal, the Kingdom of Swaziland, the Republic of Zaire, the Republic of Zambia, the Republic of Zimbabwe. All these countries in Africa will need assistance from Canada in the future in order to bring their economies into some kind of order and to begin the long process of creating the foundations for prosperity that can be generated through these people.

We should not expect this to occur overnight. The societies in those countries are very different from our own. I can remember as a young student travelling to Africa, spending three months in Zambia and seeing that particular country struggle with trying to meet the demands of its people when it was dependent on one commodity, namely, copper. It had no links with the sea for all of its exports. It depended on rail links to the east and to the west, through Mozambique which was a colony of the Portuguese, and Angola to the west which was also a colony of the Portuguese at the time, or through what was then Rhodesia to South Africa. Zambia is entirely surrounded. It participated in the struggle, which we supported, in order to bring independence to what is now Zimbabwe.

It paid a heavy price for that long struggle which is not over yet. Of course, it accumulated debt, because as the price of copper fluctuated over the last 20 years in response to changes in world demand, which were not of Zambia's making, Zambia's economy had to absorb the shock and acquire the debt. Changes in demands in countries like Canada, the United States and Europe resulted in changes in the demand for this particular commodity. In order for Zambia to rely less on one commodity and to broaden the structure of its economy, it will require a long and difficult process of industrialization. This is a struggle which all African countries, not only Zambia, have to deal with.

At the same time there are pressures for democratization. There are pressures through contacts with countries like Canada for expanding human rights in those countries. We must take a leadership role in those areas as well. We must also realize that the societies are very different, that the pressures which they face are very different from the pressures that we faced when we were proceeding with our own industrialization many years ago.

My experience in Zambia gave me a concrete example of what those African countries, whose problems will be partially alleviated by this bill, have faced and will continue to face in the years ahead. The United Nations has been focusing on the particular problems of Africa. The problem of hunger is nowhere more severe than in the economies of Africa where the climate and where the political turmoil over the last 35 years through the process of decolonization. It has left the whole continent in a state of upheaval and has created wars, famines, droughts and numerous other problems which are far beyond the capacity of the people of those countries to meet.

• (1020)

I notice that the member for Rosedale is here today. He is well aware, through his experience in Ethiopia, of the situation with the famine that occurred there. I want to compliment him on the role that he played when he was Ambassador to Ethiopia. I am sure he can speak with rich personal experience of the obligation which we have as Canadians in meeting the unfortunate situation which continues to exist in Africa and in supporting the people of these countries in their struggle to improve their lot.

We must not think of this modest piece of debt relief which the government is providing to several countries in Africa as the end. It really is only a small beginning toward extending a hand and participating in the rehabilitation of these countries and allowing them to be full partners with us as we enter into the 21st century.

Mr. Volpe: Mr. Speaker, I want to thank the hon. member for bringing to the attention of this House some very important principles and some very important economic directions that this government should be following.

It has been, as he has noted, the tradition of governments of this country to assist those nations which are less developed than our own to achieve an economic development that will be self-sustaining, competitive and, as the hon. member has pointed out, to the advantage of all those industrialized and economically advanced nations.

He did mention one point that I think should be drawn to the attention to this House. That is, in the forgiving of these debts to sub-Saharan nations, we are not so much engaging in a charitable action, but doing something that is economically sound and also very good for our own nation and for western economies as well.

Will the hon. member direct his attention to the concern that some others have raised in other committees that many of these debts, while it appears that we are being generous, are really figments of an imagination inasmuch as they can no longer be paid off and inasmuch as the nations that have these debts are not in a position to satisfy the initial obligation?

By forgiving these debts and the payments thereof, we are not only helping their economy we, at least, are not raising the expectations of our own. Are we not directing our energies in a way that might be a little bit more productive thereby satisfying both a human need as well as an industrial and economic one.

Mr. LeBlanc (Cape Breton Highlands—Canso): I would like to thank my hon. colleague for his comments and question. It is true that forgiving the debt is not an act of charity that goes against economic reasoning, but really a recognition of reality. We should not forget that the debts which many of these countries accumulated over the years is partly due to the expectations which were created in industrial countries like our own. We were quite free to lend money to these countries in order that they could buy our products and create a demand for our goods, of what to them are the luxuries of western society, the lure of western society which we, as industrial countries, have encouraged them over the years to pursue. We are just as much part of the situation as they are. Our forgiveness of their debt is really a recognition of our own involvement in the affair. Another aspect is that it is pretty hard for an individual to operate under the burden of a debt which he or she cannot conceivably begin to repay.

In a developing country, such as those in Africa, before its citizens can begin to deal with their daily and current requirements they must meet the imposed burden, this obligation, which has been imposed upon them from a previous generation or from outside.

The forgiveness of the debt merely allows these countries to start clearing the slate, to focus on current realities, and if we assist these countries in economic management which is realistic and which enables them to develop consistently and appropriately to their own circumstances, we will not restart this problem to which we, in part, have contributed.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I appreciate the opportunity to speak on this bill. I can only echo the words of the member who just spoke.

This bill, which is the forgiveness of debt for the sub-Saharan countries in Africa, is only a small step in the right direction as far as the alleviation of the debt burden on Third World countries is concerned. This action on the part of Canada is not going to cost the Government of Canada a penny. It has no real impact upon the tax collection. Much of the debt has been in place for a considerable length of time and was considered a soft debt when it was loaned in the first place. It has been gathering interest on our books and has been a controversial subject in the public accounts of Canada because it shows there as an asset which we never have expected to collect. It will not entail any appropriation on the part of the Canadian Parliament. It is a small step, with very little impact as far as Canada is concerned. It is money we loaned that we really never expected to get back.

Third World development and the survival of people in the Third World is a continuing problem. Servicing the debt, which I am almost tempted to say was imposed on many Third World countries, is the most debilitating of all on the development action of the Third World countries. It is very difficult, in fact in many cases impossible, for the Third World country to attempt to service the debt and move in the direction of a sustainable economy.

This bill forgives some of those debts, but the government has not continued in the direction of official development assistance. Instead of increasing the assistance it is giving to Third World countries, this government has reduced that assistance. This is what we all call talking out of both sides of our mouths.

• (1030)

The government, in its rhetoric, has been saying that it will do all these great things to help development in Third World countries of the world, but in actual fact it is cutting development funds.

The cuts in official development assistance mean that we are giving less aid to the debt strapped countries of Central Africa. We are giving less aid even as we suggest that we will no longer try to collect the debt. The forgiveness of these debts does not come anywhere near making up for the effect of cuts in assistance to these countries.

These cuts impact, as usual, on the people who can least afford them. The cut in ODA impacts on the people who have no political clout in most cases. They have no voice in the affairs of the world and are the most vulnerable to reductions in assistance. This runs almost directly counter to the Prime Minister's statement to the United Nations in September 1988, when he stated that Canada has reviewed its official development and the government would increase the quality and quantity of the help we will give.

Almost immediately after that the government proceeded with cuts in ODA. In front of the whole world the Prime Minister recommitted Canada to achieving an ODA of .7 per cent of the GNP by the year 2000, and then he immediately reversed his decision and reduced the amount of assistance we give. Obviously the government's rhetoric is just window dressing.

Our commitment of .7 per cent of the GNP by the year 2000 was pushed back by this government when it first came to power. It is unlikely, unless there is a real turnaround in the policy of the government, that we will even reach that goal. If the indications of the last five years of the Conservative government in Canada are correct, we may be lucky to reach this goal by the year 2040 instead of the year 2000. This means we are not trying to assist a large portion of the population of the world. We should be doing more about it.

Canada is in a unique situation. We are a member of the Commonwealth; we are a member of *La Francophonie*. We are well respected in the United States. We are part of the Group of 7 of industrialized nations of the world and a member now of the Security Council of the United Nations. These roles afford Canada an opportunity to make real differences on the international stage, but if we just speak and do not act, if our rhetoric is not followed up by action, we will quickly be recognized as being all mouth and no action.

The lofty statements made by the Prime Minister have not been followed by the action of the government in the last few years. It is not as if this were good for us because cutting aid jeopardizes Canada's long-term interests. It jeopardizes our interests in trade with the developing world. It jeopardizes our standing and our impact on the developing world in many ways other than economic.

For a short-term gain we are giving away a considerable amount of the impact that we could have had. This is a serious miscalculation on the part of Canada. We claim to be a generous nation, but we stand behind the Scandinavian countries, Holland, Belgium and France, and we are gradually working our way downward in the list of those countries that have been the most generous to the developing world. We are part of the western industrialized countries that seem to spend our time and efforts making sure that instead of allowing these countries to develop, by imposing and insisting on payment of debt—and this is why I say this bill is going in the right direction—we are moving toward making it impossible for Third World countries to grow, develop and become more self-sufficient.

Loans with the kind of interest that is being charged—and again we are working in the direction of reducing the interest on many of the loans—are very detrimental to the survival and the development of Third World countries. We do not have to go far to see the impact of loans that are impossible to pay.

Right now in western Canada in the farm communities there are thousands of farmers who have loans higher than they can possibly service and consequently are in exactly the same position as these Third World countries. If they continue to try to service them, they get further into debt. If they do not continue to service them, they lose their land. Luckily the Third World countries are not likely to be foreclosed on, but the impact of these foreign debts is so long term and so debilitating that it can have the same kind of effect that it does in the local situation of a farmer.

We in Canada are supporting the IMF World Bank position on all of these debts. The IMF has been suggesting to countries such as Venezuela, Mexico and the Philippines, you can name dozens of them, and the Third World countries about which we are talking about today, that they must do something about how their economies work. They must restructure their economies so that they can pay this debt, restructure the economies in such a way that the payment of the debt goes before services to the population, the health of the population, even the feeding of the population.

The people in the Philippines tell us that they cannot possibly pay the debt and grow economically. In fact, the imposed structure which requires higher taxes is keeping out investment in the Philippines because there is no way that people will invest in the Philippines as long as the taxes are high in order to pay these debts.

I am going to spend the last few moments on exactly what we should be doing regarding world debt. The only just resolution for the debt crisis in the world is the cancellation of the debt and the allowing of economies to become self-reliant. That way all countries of the world will benefit, the countries that are presently in debt and those countries that trade with them and work with them, because as so go these countries, so goes the world.

• (1040)

Partial debt relief is just not going to work. Even if you forgive half the debt today and leave the other half in place, under the world financial structure, within a few years the debt will be back up to the same size again and be just as debilitating as it was before. In the mean time all of the development funds in that country will have gone to alleviate the debt. Every one of these debts has been paid for at least once and some of them twice in interest paid to the countries that have lent the money in some cases. Some of them are not interest bearing for 50 years, but in those cases we did not expect to get the money back anyway.

In 1988 the IMF World Bank made a statement. Again, the World Bank and the IMF are great on declarations but very small on follow-up. They suggested back in 1988 that they recognized the need for the elimination of debt as quickly as possible. Then they turned around and immediately imposed restructuring, which made sure that there would be no development, on a number of countries that are so wallowing in debt that they are almost at the point of not surviving.

The World Council of Churches also made some comments about the direction that the world should go in alleviating the debt problem. It said:

> The only way a country can both avoid being restructured from the outside and achieve a responsible—in the sense of first and participatory—development dynamic—Self-reliance—is based on effective control by the people over their country's natural resources and production. Its central productive focus is not response to the external demand, but identifying and acting on internal potentialities to fulfil the peoples' most urgent needs.

That is a very direct quotation which says that what we need to do is to allow these countries to use all of their potential on development. The only way they can do that is if we cancel the debts, all the debts, against Third World countries and give them a chance to become full participants in the economy of the world.

Bill C-10 is a small step toward a solution that could, if it were carried on and if it became the policy of all of the industrial countries of the west, solve the problem. If we do not do it, all that is happening is an action, a little bit of show, which will not change the situation for the struggling people of the world and their attempts to survive.

Mr. John Brewin (Victoria): Mr. Speaker, this bill does give Canadians and Parliament an opportunity to address what in many ways is perhaps one of the two most important issues on the globe's agenda today. The other is of course the issue of the environment.

Both issues are connected; that is, the issue of the imbalance in economic opportunities and economic development between the rich nations and the poor nations of the world. This bill does confirm a particular step that Canada is taking, but it opens up an opportunity for us to consider in a broader way what Canada is doing in the area of international development.

We can no longer afford to see the globe divided into nations and to look at our society as isolated from the world abroad. What is happening in sub-Sahara Africa is happening in our own neighbourhood and we must see that section of the globe as part of our own neighbourhood. A child who dies from hunger in the refugee camps in Malawi must be seen as much as our neighbour as a child who dies from an automobile accident on the Malahat on Vancouver Island. We have to be prepared to devote our community resources to make radical changes in how the world distributes its wealth and in how we look after the people who are part of our human family.

What is the record of the government? It proposes a bill of this kind, but let us look behind the bill at some of the actual program steps taken by the government. This government has cut official development assistance. It has cut by $56.5 million assistance to international financial institutions. The voluntary sector, NGOs, have been cut by $9.6 million; multilateral food aid, cut by $32 million; multilateral technical assistance, cut by $12.8 million; bilateral food aid, cut by $24.4 million; international humanitarian assistance, cut by $4.5 million; and geographic programs, cut by $130 million.

It is a disgrace to this Parliament; it is a disgrace to the people of this country that the government has chosen to tax the poorest in the world in an effort to deal with its own mismanagement of our financial affairs. At the same time that it is making these cuts, the government is cutting taxes to the corporate sector, cutting out a series of moves which make easier for the rich to have more and imposes these penalties on the poor in the world.

We have to change our priorities. We must see that the first on our national agenda must be those in the world who are most in need. We have opportunities in this country to provide leadership on an international scale, and it is important that we do so.

I would like to take the opportunity to refer to one particular program that this government and its predecessor has given some support to, and that is Canada World Youth. It seems to me that the government has failed to grasp in the approach that it has taken to Official Development Assistance that, by and large, the Canadian people are supportive of programs to redistribute the world's wealth and to have Canada provide leadership in international development. This is demonstrated, not only in surveys, but in the kind of commitment that Canadians have given to international development organizations; the active role that Canadians have played, for example, in organizations such as Oxfam Canada, the work that Canadians have done overseas through CUSO and CIDA.

One program in particular, I think, has provided a great base of support for a clearer understanding by Canadians of what is going on in the world. Canada World Youth was a program formed approximately 15 to 18 years ago. The inspiration for it came from Senator Jacques Hébert who used his considerable persuasive capacities to talk the Government of Canada into launching a program which has enabled thousands of young people from Canada and thousands of young people from Third World countries to work together and live together in communities both in Canada and the Third World.

• (1050)

Out of the experience these thousands of young people have had has come a far more realistic understanding of the reality of the world, great progress in terms of self-development for those who have participated in the program and a clearer understanding of Canada for thousands of young people in Third World countries, many of whom are already moving into positions of leadership in those countries.

Canada World Youth is a program which is funded primarily by CIDA. It is beginning to receive organizational financial assistance from other provincial governments and of course gets some funding from the private. Canada World Youth has a board of directors which is voluntary and has now an effective and experienced infrastructure to provide effective leadership in the development of the program in Canada and abroad. Each year, the program works by developing a particular protocol with a series of Third World countries and under the program young Canadians can apply to participate in a six-month program.

An equal number of young people from Third World countries are selected to participate in the program by their home countries. The young people are divided into groups, a fundamental unit of seven Canadians and seven from the exchange country. They are brought together under the standard program first to spend three months living and working in a Canadian community and that is followed by three months in a Third World community. It is for young people, generally those in the post high school age group ranging in age from 19 to 21 or 22 years, as I understand it. It has offered to young Canadians and young people from Third World countries a very distinctive experience.

I was very fortunate myself to be able to participate for a few years on the board of directors of Canada World Youth. I was actually encouraged to do that by the fact that our daughter was in the program in 1979 and spent three months in Indonesia. As a result of that, she found an interest in southeast Asia and in the Pacific which has had a major beneficial effect on her life. I know from my direct connection with other young people who participated in Canada World Youth that it is an outstanding program and one which deserves the full support of Canadians.

We live in a time when we are under great pressures, but we also live in a time when in a unique way the world is close to us. The power and impact of television brings to our homes every night the reality of what is going on in South Africa, the situation in Mozambique, the difficulties that Namibia is having as it struggles toward self-government, the tremendous problems being experienced in sub-Sahara Africa, these issues are brought daily into our lives. As a result of that, this bill has the support of the Canadian people even at a time when the government is trying to persuade the country that it is obliged to make cuts in social programs and in programs such as this one.

These issues present dramatic opportunities for Canadians to participate in terms of service and with great hope for the future. I commend this bill to the House and I urge its adoption.

Hon. David MacDonald (Rosedale): Mr. Speaker, I want to congratulate the hon. member for Victoria on some of his remarks. I think his presence here is a reminder of the distinguished service his father gave for many years when he represented the Greenwood riding in Toronto.

Specifically I would like the member to acknowledge, if he would, that while he said many good things about Canada World Youth, surely the substance of this bill is an important step for this government to take, not only in its own right but with respect to dealing with the essential issue of the debt.

I have listened to a number of speakers this morning expressing concern about recent reductions in our ODA, not cuts as referred to but reductions from the targets that were originally set. Like many members I regret that those reductions have taken place. However, it is important to acknowledge that for some years now this government and its predecessors have led the way internationally in trying to take a more positive approach to the self-development that must take place in many of the countries referred to.

In particular the initiatives taken in 1986 which are now being acknowledged in this legislation with respect to the removal of some of the debt held by Canada for these sub-Saharan African countries are critically important. There is no issue that affects the developing countries of Africa more than the enormous burden of debt accumulated in the late seventies and early eighties.

By coincidence, next Friday, I will be sitting in Ethiopia having discussions on this matter with the leadership of the Economic Commission for Africa. In two weeks time we will be receiving a visit from the executive secretary of the economic commission for Africa who will meet with our Minister of Finance, with the Standing Committee on External Affairs, with the committee of finance, with voluntary groups, with African ambassadors and with those taking an active interest in Africa in order that we can have a full understanding of the important and destructive economic pressures which this massive debt has put on the people and the countries of Africa.

I think the leadership taken in this legislation is one that we should be willing to acknowledge while recognizing some of the other problems that have already been indicated.

Mr. Brewin: Mr. Speaker, I thank the member for his kind words and the reference to my father. I know he and my father shared many perilous journeys together flying into Biafra in the dark of night with shells flying around them and even joining together to write a book which came out a few weeks late, as I recall, but still has a place on our family shelf if not the shelves of anyone else.

I am prepared to acknowledge that this bill does a little something. However, this is not even half a loaf; this is probably one slice off the far end of the loaf.

After this bill is adopted the fundamental problems still remain and remain largely untouched by the government. It has barely maintained the programs which it inherited and in fact has not provided the leadership which this area so desperately needs.

Even after this bill is passed Nigeria will have an external debt of $28 billion. This bill merely forgives loans that were interest free for a term of up to 50 years. Just think of the refugee camps in Malawi as a result of the war going on in Mozambique, over which the member and others on his side of the House including the member from Waterloo have provided leadership and assistance.

The fact remains that there is a tremendous job to do. The international financial institutions need complete restructuring so those who live in the Third World and particularly in the sub-Sahara have a real voice in the decisions made at the international economic level. We need a radical restructuring of the world's economic institutions not only for the benefit of the people in sub-Sahara Africa who are our neighbours but for our own long-term economic benefit and as a key step in the move to save the planet's environment.

• (1100)

Mr. Deputy Speaker: It being eleven o'clock, pursuant to Standing Order 35 the House will now proceed to Statements by Members under Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

FISHERIES

Mr. Peter L. McCreath (South Shore): Mr. Speaker, yesterday Premier Clyde Wells released a report on the difficulties of the fishing industry of Newfoundland and Labrador, an emerging crisis which has already been recognized by this government with the establishment of the Harris task force and a special cabinet committee.

Mr. Wells is right to be concerned about the situation. However, to propose solutions which would simply compound the burden and pass the problem to a Nova Scotian economy already facing difficulties is simply un-Canadian. What makes Canada work is our ability to achieve consensus and to share. This is how our Prime Minister was able to bring together ten premiers and the Government of Canada at Meech Lake.

If Mr. Wells wants all the fish off Newfoundland shores to remain in Newfoundland, does he also want all Ontario tax dollars to remain in Ontario and not be transferred to Newfoundlanders through equalization, regional development or UI payments?

* * *

RCMP DRESS CODE

Mr. Jim Karpoff (Surrey North): Mr. Speaker, the RCMP has a long tradition of tolerance and understanding for the many cultures and racial groups that make up Canada. The uniform of this proud police force has evolved and changed over the years in response to new conditions. It is now appropriate that the RCMP accommodate religious groups such as Sikhs by allowing them to wear turbans as required by their faith. People of the Sikh faith should be fully represented on our national police force.

I regret greatly that members of this House are not only supporters but leaders in the attempt to prevent the modification of the RCMP dress code that would permit the entry of Sikh officers. The RCMP cannot be frozen in time. Canada is an evolving multi-ethnic community and the RCMP should fully represent this.

* * *

DAIRY INDUSTRY

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, dairy farmers across Canada are extremely concerned about their future. The recent GATT ruling on ice cream and yogurt threatens the very heart of the supply-management system in Canada.

In Prince Edward Island the dairy industry makes up approximately 15 per cent of the agricultural sector. There, 524 milk producers and 147 cream producers are asking questions about their future.

Across this country our farmers are wondering what is next on the chopping block as a result of this trade agreement with the United States. I urge this government to take immediate action in this crucial matter. It is essential that the dairy industry in Canada be protected.

* * *

HON. JOHN WISE

Mr. Ken Monteith (Elgin): Mr. Speaker, on September 16, over 1200 people gathered to pay tribute to the Hon. John Wise, our former minister of agriculture, for his dedication to his constituents and to the agricultural industry of Canada. John spent 16 years in this House, both as an opposition member and a minister of the Cabinet. As a member of Parliament for Elgin he ably represented the interests and concerns of his riding. As the minister of agriculture he worked to ensure that the farmers' concerns were recognized by the greater society.

I have known the former member for Elgin all my life and I can attest to his commitment to the current government's policies. It has been inferred in this House that the former member did not seek re-election because he was afraid of what might happen to supply marketing systems. This simply is not so. John Wise knew he could retire with a peaceful mind. He knew that supply-management would not be threatened by the free trade agreement. He knew Canadian farmers could and would take advantage of the challenges and opportunities afforded by this historic treaty.

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HUMAN RIGHTS

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, it is scandalous that the Soviet police would attack and kill innocent civilians who had gathered peacefully simply to celebrate the founding of their city of Lviv.

On October 1, citizens of that western Ukrainian city were suddenly harassed by the Soviet police. When they protested their harassment, the police viciously attacked them at the the militia headquarters leaving three dead and at least 20 people badly injured. Clearly the citizens were denied their basic human rights. As Canadians we are naturally appalled by these actions. I therefore urge the Canadian government to protest this brutal violence against unarmed and peaceful citizens. I also ask the Canadian government to take steps to ensure that such police brutality is not repeated.

I ask the Prime Minister to take up the legitimate cause of Ukrainians in Ukraine with Mr. Gorbachev during the Prime Minister's visit scheduled to take place in the Soviet Union next month.

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CHILD CARE

Ms. Barbara Greene (Don Valley North): Mr. Speaker, on Wednesday, October 4, I attended the official opening of the Cliffwood Child Care Centre in my riding, yet another non-profit co-operative centre set up through the joint efforts of parents and the North York Board of Education.

The Hon. Elinor Caplan, MLA for Oriole; Joan King, metro councillor; principal Madam Andree Notage and vice-principal Madam Dorothy Mauror were in attendance. We assisted trustee Dan Hicks and the president of the child care centre, Allan Tweyman, in officially opening the centre.

This community is composed of Canadians of primarily Jewish, Chinese and East Indian heritage. The community then sang a song in French and English. Congratulations to Cliffwood community, a truly equal opportunity, a multicultural and bilingual Canadian community that looks after its children.

* * *

UNEMPLOYMENT INSURANCE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, the Legislative Committee on Unemployment Insurance held hearings in 13 cities across Canada. It was given two hours with the minister, a day with the deputy and his staff, and one day for clause-by-clause examination of amendments to one of the most complex pieces of legislation that this House is responsible for. Yesterday we were only able to thoroughly and seriously discuss three clauses out of 57 amending clauses.

We have a situation where this government is opting out of unemployment insurance financially and increasing the premium rates, and while the money rolls in, the government is paying absolutely no attention to the employers and the workers, those who are forced to pay. Yet the government still pulls the string.

It appears that we are trading one railroad in this country for the Tory railroading of the UI committee.

* * *

RESEARCH AND DEVELOPMENT

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, recently in Fort Saskatchewan, the Government of Canada, along with the Government of Alberta and Sherritt Gordon, announced plans to establish the first major advanced industrial materials initiative for western Canada. The new organization, WESTAIM,is structured to assure widespread participation from universities, industries and other research organizations.

WESTAIM will be an international leader in advanced industrial materials research and development. The over-all objective of WESTAIM is to commercialize the results of applied research and development undertaken on a market-driven industry.

Advanced industrial materials are recognized as an integral part of long-term growth and diversification. The project provides the opportunity to put western Canada at the cutting edge of new technology.

Sherritt Gordon has finalized plans to move its head office from Toronto to Edmonton. The participation of the federal government in this innovative project demonstrates its strong commitment not only to research and technology but also to building a stronger economy in western Canada.

* * *

VIA RAIL

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, this irresponsible and shameful government has just committed another one of its worst decisions that will hurt all regions of Canada by cutting passenger rail service by over 50 per cent.

In Ottawa alone, weekday service to Toronto has been butchered by 25 per cent while the Montreal route will be cut by 20 per cent. The breathtaking panoramic route of the Canadian from Ottawa to Vancouver will be eliminated for a more expensive one going through the ridings of Conservative MPs.

[*Translation*]

Mr. Speaker, the Minister of Transport is completely off track. It is clear the Tories could not care less about senior citizens, the disabled and young people who travel by train from coast to coast. What is going to happen to small rural municipalities for whom trains are a vital link with urban areas?

The Minister of Transport will go down in history as one of Confederation's executioners because of a decision that proves that to the Tories, cutbacks are more important than common sense.

The next cuts will be made by Canadians themselves, when they get rid of the Conservative Government and invest in their future with a Liberal government.

* * *

• (1110)

[*English*]

CHILD CARE

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I am pleased to inform the House and the people of Atlantic Canada of a recent announcement by the Minister of Health and Welfare to provide funding over a period of 31 months to the Froebel Institute for Early Childhood Education.

This project is designed to permit the Froebel Institute to organize a circulating portable library which will enable them to provide a comprehensive collection of reference materials to assist in the presentation of childhood development services throughout the Atlantic provinces.

We appreciate this indication of continued commitment by the government to child care funding and I would personally like to commend the minister for his far-sighted approach in approving this application. I certainly congratulate Dr. Jane Norman for her tremendous enthusiasm and initiative which has resulted in her many contributions in the field of childhood education.

* * *

SPACE AGENCY

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, while Canadians largely support this government's venture into space science research through the development of a Canadian space agency, there is legitimate concern that such a venture be used for non-military and peaceful purposes only.

The Minister of State has recently acknowledged that the bill to establish the space agency, Bill C-16, does not preclude its involvement in military pursuits. The term "peaceful purposes" may well be interpreted as non-aggressive military use such as satellite surveillance or the development and testing of space-based weapons systems.

The minister must assure this House and the Canadian people that the proposed space agency will not become a tool for military pursuits. Canada must not be drawn into the conquest of space as a military frontier, a concept that has captured the imagination of our neighbour to the south.

* * *

FREE TRADE

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): In reference to the statement made by the hon. member for Erie on October 3 about the effects of free trade on the Niagara Corridor, I would like to remind him and the House that hundreds of grape growers have had to tear up thousands of acres of prime farm land because of the Mulroney free trade deal.

The auto workers' plight in and around my riding is going to get worsè in the next little while because of the Mexican free enterprise zone along the U.S. border, the Maquiladora zone, which provides big business with non-unionized workers to labour in factories. These workers are paid $8 a day Canadian to work in an environment which has limited safety factors.

I would like to remind the hon. member and the House that as late as last week I received a substantial number of letters from our local merchants who reported a decrease in their sales because Canadians do their shopping across the river in the United States.

I would also like to remind him of a recent article that appeared in a Buffalo, New York newspaper which refers to their ever-booming business due to the free trade agreement and the fact that they have prospered with the Canadian businesses which have settled across the border.

The tremendous opportunities to which the hon. member has referred are for the Americans, not the Canadians.

* * *

THANKSGIVING

Mr. Felix Holtmann (Portage—Interlake):r. Mr. Speaker, next Monday Canadians will be celebrating the traditional Thanksgiving holiday. Families and friends will be getting together to feast from this year's abundant harvest. They can give thanks that in Canada we do not suffer from production shortages and long line-ups to obtain the basic necessities of life.

Events around the world that have occurred since last Thanksgiving should cause Canadians to give extra thanks this year. A freedom rally in Tiananmen Square saw young protesters slaughtered. Even today thousands of East Germans flee their nation for a new freedom which we sometimes take for granted. Starvation and civil war in some African countries continues at an alarming rate.

Yes, Canadians have much to be grateful for and Canadians should assist those less fortunate so they can some day enjoy the same prosperity as we have. Have a happy Thanksgiving!

* * *

THANKSGIVING

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, this weekend most of us will have an opportunity to share with our families and friends a very important day, a day to acknowledge and be thankful for the riches we enjoy each and every day. These riches include the comfort of our families and our friends, our health, our livelihoods and this great nation we call home.

Our families are the cornerstone of our lives. They are there during the good times and the bad. They provide our strength and our vitality. We must never forget the contribution they make. It is appropriate, therefore, that Thanksgiving weekend should coincide with National Family Week.

Nor must we take for granted our country. Canada is a great nation filled with abundant resources and unlimited opportunities, a nation envied and respected by other countries of the world.

We have a great deal to be grateful for. I want to take this opportunity to wish you, my colleagues, our staff and our families a very special Thanksgiving Day.

Some Hon. Members: Hear, hear!

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APPOINTMENT OF GOVERNOR GENERAL

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is with great pleasure that I rise to inform the House that Her Majesty the Queen has graciously approved the appointment, upon my recommendation, of the Hon. Raymon Hnatyshyn as the next Governor General of Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The installation will take place early in the new year and those who joined in the standing ovation will be invited. There will be a special leveé for the rest of you.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Hon. members need no introduction to Mr. Hnatyshyn who served in this House for over 14 years and as a Minister of the Crown for over five. Born in Saskatoon, Mr. Hnatyshyn is the son of a distinguished senator who himself was a symbol of the courage that developed the great heartland of western Canada. Both Mr. Hnatyshyn and his wife Gerda are representative of the cultural strength and diversity of Canada; he, born of proud Ukrainian stock and she, the daughter of Danish immigrants.

Mr. Hnatyshyn is known to all Canadians as a man of great warmth, civility and personal integrity.

[*Translation*]

Mr. Hnatyshyn, who was first elected as a member of this House in 1974, studied at the University of Saskatchewan and, after becoming a lawyer, was appointed Queen's Counsel in 1973.

This House will also recall his distinguished career as Minister of Energy, Mines and Resources in 1979, then later as Government House Leader and Chairman of the Privy Council before becoming Minister of Justice and Attorney General of Canada.

[*English*]

As leader of the government in the House of Commons, Mr. Hnatyshyn clearly earned the respect and trust of all members of this House. He has, I think, truly been one of the effective parliamentarians of his time and one known to all members of this House as a gentleman who conducted himself with genuine courtesy toward others and good humour in his dealings with us all.

[*Translation*]

During the debate on official languages, our former colleague, the architect of the bill, reaffirmed his personnel commitment to both official languages, and I quote:

> "This Bill reflects the open-mindedness and tolerance of Canadians in matters of language and culture. This generosity of Canadians toward each is one of the most endearing features of our national identity."

In recommending passage of the bill, he added:

> This Bill is about fairness. This Bill is about equity of treatment of our fellow Canadians. This Bill is about the way in which we treat. . .

Of course, as Minister of Justice, Mr. Hnatyshyn played a key role in the Meech Lake Accord negotiations which seeks to bring back the province of Quebec into the Canadian constitutional family.

Mr. Speaker, it is not necessary to remind members of both the constitutional and symbolic importance of the position of Governor General.

• (1120)

[*English*]

In recommending this appointment to Her Majesty, I was conscious of the personal dignity, the vast experience and the profound understanding of this nation and its institutions that is required of all those chosen to hold this high office. I know members from all corners of this chamber and all political parties will agree that Mr. Hnatyshyn will more than meet the expectations of Canadians in this regard.

He will bring to this vital institution, I think, a generous vision and an impressive dedication that will complement that of his distinguished predecessors, all of whom have served Canada so well.

[*Translation*]

I also take this opportunity to pay tribute, on behalf of all Canadians, to Jeanne Sauvé and her husband Maurice who performed their role with great distinction and dignity and whom we shall always remember very warmly.

Some Hon. Members: Hear, hear!

Hon. Herb Gray (Windsor West): Mr. Speaker, on behalf of my colleagues, I wish to extend our congratulations and best wishes to Ray Hnatyshyn on his appointment to the position of Governor General of Canada.

[*English*]

Ray Hnatyshyn is a respected scholar, lawyer and parliamentarian. He is a man who has worked his way to the top in all of his callings. To a lawyer, what greater honour can come than to be Attorney General of Canada; to a parliamentarian, what greater task is there than that of the leader of the government in the House of Commons; to a Canadian patriot and statesman, what greater distinction could come than to be called upon to serve as Governor General?

Canadians of Ukrainian origin, and all Canadians in fact, will be especially pleased with Mr. Hnatyshyn's appointment. He grew up steeped in his cultural heritage and he has always been a proud and effective example of what that community has contributed to Canada. But above all, Ray Hnatyshyn has been a proud Canadian.

[*Translation*]

Mr. Speaker, those of us who worked with Mr. Hnatyshyn know him as a warm and generous man who is very committed to the cause of human dignity.

We believe that he and his family will be worthy successors to Mrs. Sauvé and her family, whom we also wish, at this opportunity, to congratulate and thank for their excellent work.

[*English*]

Once again, our congratulations and best wishes to Ray Hnatyshyn.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, on behalf of my colleagues, I rise to compliment the Government of Canada and the Prime Minister on an extremely wise selection and recommendation of the Hon. Ray Hnatyshyn as our next Governor General.

Some Hon. Members: Hear, hear!

Mr. Broadbent I say to the Prime Minister, Your Honour, in passing, he observed that those who were standing at the time of his announcement would be invited to the inaugural dinner, and I want to assure him that those of us who were not standing at that time in my section of the House were not in any way doing so out of the slightest disagreement. We were discussing Question Period strategy at the time as the Prime Minister, I think, will well understand. We look forward, therefore, to being invited to that dinner.

Some Hon. Members: Hear, hear!

The man who is about to assume this extremely important position in our parliamentary democracy has served his country well in his home province of Saskatchewan and beyond. He has been a minister of the Crown holding a number of important responsibilities; Minister of Energy, Minister of State for Science and Technology, government House leader, President of the Privy Council and Minister of Justice.

His government House leader experience ought to have normally been sufficient to annoy all members on this side of the House but, quite to the contrary, he handled that in a tough-minded way, as he is supposed to, but with a congeniality and affability of manner that earned warm respect, if at times partisan antagonism, from this side of the House.

He has, as has already been indicated, Your Honour, always had a broad view of this country. He grew up on the prairies but, like politicians of all parties who in one sense, if I can put it this way, rise to the occasion, he developed a broad sense of what Canada is all about without losing in the slightest his own deep commitment to the region in which he grew up.

[*Translation*]

Mr. Speaker, Ray Hnatyshyn is a western Canadian whose ancestors are neither French nor English; that is, he represents an important dimension of our people. Mr. Hnatyshyn has a warm personality, a desirable quality for a Governor General.

[*English*]

His openness and his warmth will bring a human touch to a dignified position. We wish him well.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*Translation*]

ENVIRONMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of the Environment. Yesterday the minister was booed in Quebec. His proposal to invite young Canadians to Canada's parks to discuss the environment is utterly hypocritical. Young people know very well that the Conservative policy on the environment is a fraud. Why does the minister claim that the environment is his priority when the cuts to VIA Rail were made without regard to environmental considerations?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the Hon. Member for Hamilton East should go to Quebec from time to time to realize that Quebecers are very polite, very courteous and very eager to talk about the environment. Yesterday I had the opportunity in one of Quebec's largest junior colleges, a CEGEP with 7,000 students, to meet a group of students interested in the environment. I wanted to tell them about the policies we are preparing for the whole country over the next five years. The reception was extremely courteous. I ask the Hon. Member to check with those who were there to see that we had an extremely interesting discussion which is very promising for the future. Young Canadians and young Quebecers want to take an interest in the environment and will not allow partisanship to interfere with a noble cause so fundamental to the country's future.

Ms. Copps: Mr. Speaker, the Minister is very good at making promises, but he does not deliver the goods; he did not deliver on VIA Rail.

Mr. Gauthier: Which will cost dearly, besides.

Ms. Copps: My supplementary question is for the Prime Minister.

[*English*]

During the election the Prime Minister stated in Hamilton, and I quote:

> In considering any development, any project and any program, we will make its environmental consequences as fundamental a test as we now apply to its economic feasibility.

Why did he say that when the VIA cuts show clearly he did not mean it? Why did the Prime Minister say yes to VIA cuts and no to the environment?

• (1130)

[*Translation*]

Mr. Bouchard (Roberval): Mr. Speaker, I told the Hon. Member for Hamilton East several times that we have environmental legislation, that in general the Conservative Government respects the law, and that as part of the process to set up a new VIA Rail network, we conducted the necessary preliminary studies to determine the environmental impact of the new route network. Transport Department officials, in cooperation with those from the Environment Department, came to the conclusion that the environmental impact of the new network would be negligible and for that reason, it was not necessary to pursue environmental studies further. I even said that we would produce a document confirming these statements in the coming days.

So I ask the hon. member, instead of playing politics with the environment, to respect the law and look at the relevant documents which will prove to her that we did what we had to do.

[*English*]

Ms. Copps: My supplementary question is for the Prime Minister. I expect an answer—

Some Hon. Members: Oh, oh!

Ms. Copps: —because it was the Prime Minister who made all the promises about the environment.

The government's own cabinet document, which I assume the Prime Minister has read, states quite clearly that the decision to cut VIA will result in an increase in car travel, and an increase in the burning of fossil fuels. That cut in VIA will mean more acid rain and greater greenhouse effects.

On the eve of the American decision to cut acid rain, why is the Prime Minister approving the cut in VIA Rail which will actually result in an increase in acid rain in Canada and an increase in greenhouse gases? How can he do that with a straight face?

Mr. Bouchard (Lac-St-Jean): Mr. Speaker, this is a misrepresentation of the facts. The facts are quite clear. The environmental impact of this decision will be negligible.

The study conducted in Transport Canada has been reviewed by my officials. They completely and strongly agree with the conclusions drawn by the Transport Canada authorities.

There is no way that Canadians will believe that this decision is bad for the environment. Actually, it is very good for the environment because it will provide Canada with a way to devote more money to environment and to wipe out the deficit.

There is no way that Canadians will believe that it is better for the environment to go around the country with empty trains instead of putting people in buses. Experiments on buses have demonstrated that they are much more environmentally sound than trains.

Some Hon. Members: Hear, hear!

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Transport. First of all, I want to tell the Minister of the Environment that there are no empty trains in the west.

One hundred and ten years ago Canadians built the train service from Toronto to Calgary so they could travel through Canada. They were tired of taking ox carts from the states. We have right now taken a giant step backward. If you want to take a train from Toronto to Calgary, you have to go through Chicago, Minneapolis, Minot, Grand Forks, and to Montana and then three days later you get on a bus and go to Calgary.

Given that we are actually financing the Amtrak expansion, does the Minister think we have to provide them with the passengers too?

Mr. Bouchard (Roberval): Mr. Speaker, my friend is from Manitoba in western Canada. I would like to give the member some ridership occupancy rates in Manitoba. For Wabowden–Churchill it is 7 per cent. We have Winnipeg—Capreol at 22 per cent.

Mr. Boudria: Capreol is in Ontario, not western Canada.

Mr. Bouchard (Roberval): I would be delighted to say that there is no occupancy rate over 60 per cent except one, which is the Transcontinental, and we consider everybody who stops at every station.

The decision is very sound. It corresponds with what Canadians want. They want a national network. We have a national network.

Canadians know that this country has to live with affordable expenditures. Increasingly, Canadians are accepting that we manage the country with a network that, once again, is national, sustainable, and affordable. You will increasingly be seeing this government use good management of money for Canadians.

Some Hon. Members: Hear, hear!

Mr. Walker: Mr. Speaker, as the minister knows, Winnipeg is in Manitoba but Capreol is a thousand miles away in northern Ontario.

My supplementary question is for the Prime Minister. When a deal was struck between Canada and British Columbia in 1871 the federal government agreed in the Constitution to provide and maintain rail services to and within British Columbia. The people of British Columbia want to know if there is no constitutional guarantee for rail passenger services exactly what this guarantee means in the Constitution.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, that matter was raised in the House yesterday. I am advised that the Government has been served today. Under those circumstances, it is not appropriate for us to fight the case in the House of Commons. We will have to deal with that matter in court.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of the Environment who had the nerve to get up and say that this decision about VIA would have a net positive impact on the environment.

The Minister of Transport, at least in the page he put out on Wednesday, acknowledged that there are going to be a million additional car trips as a result of this decision. I leave it to the Minister of Environment to understand the impact of that on the environment, and then for him to say it will be positive.

The minister said to me in the House on Tuesday, when I asked him about an environmental study, the following: "The guidelines provide the government with the obligation to conduct an initial study and then for the responsible minister from the initiating department to make a decision". Then he went on to say to me on Tuesday that when the decision was announced, i.e. on Wednesday, the responsible minister would then produce the study on the environmental impact.

We have waited for 48 hours. Where is the study?

Hon. Benoît Bouchard (Minister of Transport): I said Wednesday, Mr. Speaker, and I repeat today that this document will be available in the coming days. The coming days could be today, Monday or Tuesday. But the member has nothing to be worried about. He will get the study and then he will see that we were right.

Mr. Broadbent: Mr. Speaker, we all know that the minister and his officials are going to have a busy weekend.

We checked with VIA this morning. It may be of interest for the minister to know that VIA officials said this morning that they know nothing about such a study. They did not participate in such a study. In fact, they said that the only thing they know about is what the minister said in the House.

I want to ask the minister how the people of Canada can take seriously a claim that environmental considerations were seriously undertaken when the people directly involved, namely, VIA Rail, said they weren't even consulted on it.

Mr. Bouchard (Roberval): Mr. Speaker, the Leader of the NDP should know that VIA Rail is a corporation, it is not a person. In the government it is a person—the Minister of Transport—who is responsible for the preliminary study. I am the Minister of Transport. I did the study. I concluded that we do not need any other studies.

Mr. Broadbent: Mr. Speaker, it is truly amazing that the minister did the study locked away in his closet and did not consult VIA Rail, the people presumably who know something about laying down tracks, cars, and so on. They were not consulted, and the minister says that he did the study. God protect us! That's all I can say if he did it on his own.

[*Translation*]

But if the Minister did that wonderful study, where is it? He said that he did the study. Why is it not here for Hon. Members to look at before the weekend? The study is done. Where is it?

Mr. Bouchard (Roberval): Mr. Speaker, I just said, and I repeat, that the study will be produced in the coming days and that it will prove we were right. That being said, I also stated just now that the Minister is responsible for making the decision. That is what we did. I did not say that we did not consult or that officials of any level within VIA Rail were not given an opportunity to give their opinions—that is very obvious—in cooperation with the officials of my colleague in the Environment Department. The decision was made by the Minister of Transport. The documents will be produced and, again, the Leader of the New Democratic Party will rest easy because he will realize that the studies were well done and obviously came to the conclusion that I told him before.

• (1140)

[*English*]

Mr. Stan Keyes (Hamilton West): Mr. Speaker, in the absence of the Minister of State for Transport, who just last week said she would not comment on leaked documents concerning VIA Rail, my question is to the Minister of Transport.

According to a government document—and we are speaking of studies here—"Canadians already are confronted with airport and highway congestion, particularly at Pearson International Airport and on the highways around Toronto and in southwestern Ontario. Population and travel growth will result in even greater congestion".

How can the Minister of Transport support cuts to VIA Rail—in the Hamilton–Toronto–Niagara route alone of one-third, not to mention the rest of southwestern Ontario—which will result in even further congestion on already clogged highways in southern and southwestern Ontario? How can he support these cuts?

Hon. Benoît Bouchard (Minister of Transport): Very simply, Mr. Speaker. I am sure that you will understand if I tell you, first, I do not know about the document because it has not been tabled. But the occupancy rate between Toronto and Niagara Falls is 46 per cent. We did not stop the train between Niagara Falls and Toronto. We maintained the train. But if the occupancy rate is at 70 to 75 per cent, we will serve the same number of people. It is mathematically understandable.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my question is for the Prime Minister. Travellers to the nation's capital, both business and tourist, are faced with dreadful road networks and poor air service. They often have chosen to come to the nation's capital by rail.

Ottawa will be severely disadvantaged through the axing of The Canadian and the reduction of the Montreal–Ottawa route from five to two runs. There will be no rail service in Ottawa after 5 p.m.

Why would the Prime Minister of Canada again savage the capital of this nation?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I am very surprised because Ottawa is probably one of the best served cities in Canada in terms of rail. I am sure that many people who hear what you are saying today will be very surprised.

Once again, the same argument as for my friend from Hamilton applies. For example, the occupancy rate between Toronto and Ottawa is about 50 per cent. If we increase the occupancy rate I believe we will do two very important things. We will serve Canadians from Ottawa to Toronto, and we will save money. It is important on this side of the House to save money.

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, Cornwall has suffered two serious blows in two days. My first question is for the Minister of Transport.

I previously asked the Minister of State for Transport in the House if she would guarantee that the two overnight trains between Toronto and Montreal which stop in Cornwall would not be rerouted. The minister later wrote to me stating, "There will be no diminution of the service to Cornwall".

How are my constituents to be served now that these very same overnight trains have been cut? This minister's words are not worth the paper they are written on. Why have my constituents been misled?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I repeat what I said before. The decision was made in a national perspective. We had to consider our capacity to pay for the services we have.

I think Canadians increasingly will understand that we have this national network, which you said so many times that we should keep. It is there. But, once again, I think my friend understands in the bottom of his heart that we have to protect the finances of this country, too. He knows very well that he lives in a region where there are many other modes of transportation for citizens.

To permit all Canadians from Halifax to Vancouver to have different modes of transportation, but particularly the train where people do not have any other mode of transportation, is the basis of the decision that we made. Canadians want a transportation system that is the best, affordable, but also the most accessible for all Canadians.

Mr. Kilger: Mr. Speaker, the people of Stormont—Dundas, like all Canadians, want, above all, one thing—consistency. If you say one thing, do it.

Some Hon. Members: Oh, oh!

* * *

UNEMPLOYMENT

Mr. Bob Kilger (Stormont—Dundas): There is a great deal of humour to the second part of this question also.

The closing of the Courtaulds film plant puts 240 employees out of work. Many of these are older workers for whom finding new jobs will be difficult. Some have young families to support.

I would like to ask the Prime Minister what his government, the very government which is slashing UI benefits, is going to do to help these workers. The people of Cornwall have little to be thankful for on this holiday weekend.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I am very proud to say that the unemployment rate in this country today is 7.3 per cent. Of course, this government has worked hard for five years. I understand, Mr. Speaker, it was a dream five years ago. It is a reality today.

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VIA RAIL

Mr. Brian L. Gardiner (Prince George—Bulkey Valley): Mr. Speaker, when the Minister of Transport made his announcement on Wednesday to continue VIA service on eight remote routes he only delayed the executioner's axe. The government has said that it will be reviewing the transportation needs of these remote communities.

I want to ask the minister for details on this review. Who specifically will be conducting the review? When will it be done? I ask him to assure this House that he will hold full public meetings with city councils, chambers of commerce and workers on those routes so that these remote runs also do not get slashed.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, what I said Wednesday about the remote routes is that we will examine the cost and the service we provide on these routes because they represent $50 million for Canada, which is very expensive.

At the same time we said that along parts of those routes there are people who do not have any other mode of transportation. Transport Canada, on the day of the announcement, started an examination of all these routes.

I did not say at that time that we will abandon those routes. I said we will look at the possibility of providing other modes of transportation which will permit a decrease of the high level of costs of those routes. This is the process that will be followed. I can guarantee that people who do not have any other mode of transportation will be served, if not by rail, then by another mode of transportation which will satisfy them.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, using the Minister of Transport's own definition, the remote and truly isolated Canadian VIA line communities of Revelstoke, Golden and Field, with no airports for hundreds of kilometres and whose roads are regularly cut during long winter months by the heaviest snowfalls and avalanche closures in Canada, have now been truly abandoned by the minister's announcement. This is in spite of the fact that his own statistics show that this VIA line compares favourably in ridership, per passenger subsidy, cost recovery and occupancy with every other major western route.

How can the minister justify this blatant discrimination? If he cannot, will he now agree to postpone and review his total abandonment of these communities along the Kamloops–Calgary corridor?

Finally, Mr. Speaker, we have no other reliable means of transportation in winter. Is he going to supply us all with snowshoes or with cross-country skis so we can go first-class, because that is the only way out that we will have?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I already said concerning the transcontinental route for western Canada that the decision has been made in light of the fact that the capacity of population base was 12 per cent more on the northern route. On the southern route there are other modes of transportation available. Otherwise, it would be considered a remote area and we would provide the service. If there is anything which does not correspond to the definition I gave my friend, he should get in touch with the department. We will consider what he is talking about. If there is anything which does not correspond to the criteria that we considered when we made the decision, it will be a pleasure for us to discuss it with the member of Parliament.

* * *

• (1150)

FISHERIES

Mr. Peter L. McCreath (South Shore): Mr. Speaker, my question is for the Secretary of State for External Affairs in his capacity as chairman of the special committee on the Atlantic fishery.

Yesterday, displaying a remarkable degree of insularity, an abysmal knowledge of history and an utter disregard for the rights and interests of Atlantic Canadians, other than Newfoundlanders, Premier Clyde Wells called for all fish caught off Newfoundland and Labrador to be processed in Newfoundland, thereby ignoring 400 years of history.

Can the minister assure the House and the fishermen and plant workers of Nova Scotia who are dependent upon that fishery for their livelihood that one option that will not be considered by the special committee, or by the Government of Canada, is any diminution of the historic participation of Nova Scotians in the harvesting and processing of Canada's northern fish resources?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I can assure the hon. member and members of the House that the Government of Canada is not considering any move away from the traditional shares of the stock between Newfoundland and Nova Scotia.

As the hon. member knows, the problems that we are facing have an impact upon both Newfoundland and Nova Scotia. As we consider solutions to this problem, we will take into full account the interests of each province and the traditions that are in play.

I should take the opportunity to say that we have noted the report published by Premier Wells of Newfoundland. We think it would have been helpful for him to wait for the publication of the Harris report and the completion of the task forces that were put in place by both the federal and the provincial governments. We think that there is a misleading implication given in the very name of his report in which he talks about a resource crisis.

In addition to the problem of the resource, there are also problems relating to the structural policy and economic policy that have to be considered in coming to any long-term solution.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for the Prime Minister. I wanted to put it to the Minister of Fisheries and Oceans, but in his absence I would like to ask the Prime Minister if he would respond.

On Monday, the Minister of Fisheries told us that fishermen in Atlantic Canada were having quite a prosperous year, thank you very much. I wonder now whether the Prime Minister would admit that at the very time that his Minister of Fisheries was making that statement he, the Prime Minister and the government, were sitting on a report and had been sitting on it for a full two months from the Government of Newfoundland and Labrador which documents very graphically the frightful dimensions of the unfolding disaster—catastrophe—in the Newfoundland fishery.

Will the Prime Minister now acknowledge that the Newfoundland fishery is indeed on the verge of collapse? Will he now maybe bare his soul a bit and admit that he must assume the lion's share of the blame for this full-blown crisis in the fishery in Newfoundland?

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, in response to my hon. friend's question, there is no minister in this government that is more concerned and who cares more about the Atlantic fishermen than the Minister of Fisheries and Oceans.

Some Hon. Members: Hear, hear!

Mr. Reid: Mr. Speaker, as the minister pointed out, in many parts of Atlantic Canada there has been a good fishery. But he has also acknowledged in exactly the same statement that it is not as abundant as perhaps it has been in the past.

This government has proceeded through a series of measures including the appointment of the Harris panel, the task force of officials and, obviously, by the very senior committee of cabinet minister to deal with the problem that the premier has rightly laid out.

The premier's report, and the premier acknowledged this many times, is based on a series of assumptions and a series of numbers that may prove not to be correct.

Mr. Simmons: I thought better of the gentleman from St. John's East. If that was not so sad I would laugh at him. If that is an attempt, it must be an attempt at wit, in which case, he is about half way there.

The jurisdiction in the matter of fish quotas and landings is, of course, entirely federal. Yet the Newfoundland Premier yesterday made a generous offer to cost share an emergency comprehensive response program to deal with this issue.

Is the Minister of Fisheries and Oceans, despite his abysmal ignorance of this subject as he displayed here Monday, now prepared to admit that a special comprehensive response program is necessary to address this situation, particularly in relation to Newfoundland?

Is he willing to co-operate with the Government of Newfoundland which has made this offer to cost share so that unnecessary hardship can be headed off?

If the gentleman from St. John's East is going to answer this, let him remember that his constituents are watching. Don't make a fool of yourself like you did the first time.

Mr. Reid: Mr. Speaker, if I may quote verbatim from the Premier's press conference yesterday: "I am pleased to note that the federal government has also seized of the seriousness of this problem as evidenced by the appointment of the Harris panel in the first instance and the creation of a special federal cabinet committee chaired by the Right Hon. Joe Clark, and the appointment of task force officials."

There is no question that this government through its cabinet committee and through its task force of officials has and will continue to work not only with the provincial government, fishermen, fishermen's unions, companies, business associations and community groups to deal with this problem in a realistic, serious way.

[*Translation*]

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

Unlike what is being said here in the House, there is a genuine crisis in the Atlantic fisheries industry, and the situation is steadily deteriorating. There is no more ground fish, there are no more markets for our herring, and price levels for lobsters are declining. And as if that were not enough, now the Americans are getting involved. Because they threaten to pass with a bill that would restrict lobster sales on the U.S. market, we may lose more than one-third of a market that is worth $130 million.

I have the following question for the Prime Minister. What representations has he made to the Americans to make them understand that this bill is a threat to the entire Atlantic lobster industry and that it is totally unacceptable?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, another initiative was announced this morning by the Secretary of State for External Affairs. But the Hon. Member for Hamilton East, with her usual sense of style, is shouting across the floor.

Yes, I did raise this important matter of our Eastern fisheries directly with President Bush in Kennebunkport. I stressed the concerns of New Brunswick, Prince Edward Island and Nova Scotia fishermen with respect to this problem.

Furthermore, a series of representations were authorized by the Secretary of State for External Affairs. Some were made by Ambassador Burney in Washington, whom we met this week. The full weight and influence of the Canadian Government, provincial governments and Members of Parliament, like my honourable friend who just raised this important question, will be brought to bear on the U.S. Congress and the U.S. administration, in an attempt to settle this very serious problem, in the interests of our fishermen in eastern Canada.

[*English*]

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): My question is for the Prime Minister.

There is a sense of impending doom in the Atlantic fishery. The U.S. Senate is harassing our lobstermen. Inshore fishermen in Canso and Cheticamp, for example, never know until the last minute where and how they will be able to fish. Yesterday National Sea Products had to lay up five trawlers. Why? Because mismanagement by this government has led to depleted groundfish stocks for Canadians. Yet the fisheries minister talks about how good things are in the fishery. What planet is he on?

When is the Prime Minister going to appoint a fisheries minister who has some feeling and understanding for the fishermen of Atlantic Canada and their families?

• (1200)

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, the Minister of Fisheries and Oceans has shown that he has care and interest in the fishery. This government, through not only the department of Fisheries and Oceans, through the cabinet collectively and through a series of departments including employment and immigration and others, has come together to look at the problem that we face, and that individuals in the communities face. We will respond with programs that suit the need when we fully understand the problem and have fully researched and dealt with the appropriate solution in consultations with a myriad of people who have an interest and a concern in the Atlantic fishery and the Atlantic economy.

* * *

VANCOUVER PORT CORPORATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is to the Minister of Transport and it concerns another Crown corporation. The Vancouver Port Corporation has arrogantly overruled decisions of Vancouver City Council, an elected body, and is determined to impose a eight-storey grain elevator on a residential community.

Is it government policy that federal Crown corporations can overrule duly elected municipal governments?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I have been made aware of the problems between the city of Vancouver and the ports corporation. My colleague for Vancouver East knows very well that there is an arm's length relationship between a Crown corporation and the Minister of Transport, however we have been informed. I have been in touch with the corporation. I have been told that the port of Vancouver has met the city of Vancouver and we hope that those discussions will continue in order to find an answer that would satisfy both parties.

Ms. Mitchell: Obviously this week the Crown corporation deliberately over-rode not just city council but a Board of Variance appeal as well into this situation. This is just the culmination of many hostile acts on behalf of that port corporation.

Will the minister intervene, and will he conduct an investigation, including an environmental assessment on this matter, because it has tremendous impact on the neighbourhoods?

Mr. Bouchard (Roberval): I agree with my colleague. I have been and will continue to be in touch with the port corporation. I will see if this request would be acceptable. We will see what may be possible. Once again, I will make my own personal inquiries about what has taken place in Vancouver.

* * *

BILL C-36

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, my question is for the Minister of Grains and Oilseeds. Farmers in Canada, particularly western Canada, want the advance payment. Why has farmers not passed. Farmers need it now. What is the hold-up? Why has this bill not passed?

Mr. Simmons: Where have you been?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, the hon. member is referring to Bill C-36 that provides amendments to both the Prairie Grain Advance Payments Act as well as the Advance Payments for Crops Act.

We on this side of the House are fully prepared to pass the bill and have said so in debate in this House on Tuesday, Wednesday and Thursday of this week.

If you are looking for reasons as to why the bill has not passed, and why farmers are not going to have their advance payments, you have to look to the members opposite. We would be very happy to pass the bill quickly and we should have some discussions between House leaders to get the bill passed so the farmers can have their cash advances.

CANADIAN ARMED FORCES

Mr. Joe McGuire (Egmont): Mr. Speaker, my question is for the Minister of National Defence. Recently two retired 413 Squadron officers published a report which proves that this government has made a dangerous decision in transferring 413 Squadron to Greenwood. Lieutenant Colonel Denny Hopping and Major Gary Naylor have shown that CFB Summerside is closer to some 90 per cent of all search and rescue incidents in the Atlantic area, that the topography and climate at Summerside is superior, and that the transfer of 413 reduces the squadron's capability and endangers lives. The minister has a report and he knows the qualifications of these officers. Why does he continue to persist in closing CFB Summerside in the face of such expert military advice?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, what the hon. member says is not accurate. What I have interpreted from statements in the press by two former members of the Canadian forces is not accurate.

Surveys done have shown that the majority of incidents in search and rescue occur closer to Greenwood and Halifax than to Summerside.

Therefore, the establishment for efficiency reasons and for operational capabilities will be at Greenwood, and it is for that reason, and that reason alone, that it will be established in Greenwood.

Mr. McGuire: Mr. Speaker, the minister persists in saying that Greenwood is the most optimal base to have search and rescue, but in his own answers to the written question from the member from Labrador he says: "No specific specific study was undertaken on the impact of reductions or closures". He also says: "No specific study was conducted to determine the impact the closures or reductions would have on military effectiveness".

If he did not do any studies, I do not know how he can say that Greenwood is a superior location to Summerside, while these two officers have based their study on the Cross report of 1982.

My supplementary question is the following. Not only is the minister endangering lives in his determination to close CFB Summerside, all Canada knows he has issued a gag order on Lieutenant Colonel Denny Hopping, who has told the truth in support of his squadron and his community.

Why is the minister being deliberately derelict in his duty as minister to the people of Canada by killing the tracker squadron and transferring 413 Squadron, while threatening to punish those who tell the truth about the shortcomings of his decision?

Mr. McKnight: Mr. Speaker, I find it strange the hon. member says there is a gag order when he has been quoting the former officer of the Canadian forces here in the House and I have read quotes in the paper. There is a discipline that is required in Canadian forces and that discipline is enforced by the Canadian forces.

But I want to refer to the *Journal Pioneer*, Summerside, Prince Edward Island, September 26, 1989, page 4, for the hon. member's information: "Sad as it is for Summerside, we agree with the move. If there are to be cuts in the defence budget, which we do not accept as wise, then the fewer dollars must be spent more realistically. The rearrangement of search and rescue and patrol efforts at one base makes economic sense in practical terms. In practical terms, Greenwood is centrally located, virtually fog free and easier and cheaper to supply and service."

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FINANCE

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is for the Minister of Finance. The Toronto-Dominion Bank agrees that this government's fiscal and monetary policies are driving Canada towards recession. In spite of dramatically lower interest rates among all our major competing countries, this government stubbornly refuses to lower interest rates here in Canada.

When is this government going to wake up?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, obviously the hon. member has not been paying attention. Rates were up one percentage point in most European countries yesterday. In Canada, they did not move at all.

Mr. Peterson: Mr. Speaker, our short-term interest rates in Canada are 4.47 percentage points higher than in the United States. If the Minister of Finance is trying to stand here and defend these high interest rates, this government must realize that it is a major cause of inflation in Canada. It is this government that has driven up sales and excise taxes in its last budget by more than $3 billion. It is a government that is now going to saddle us with a goods and services tax. These are the things that cause inflation.

When is this government going to accept its responsibility and wake up to the new world realities? Our interest rates are dramatically out of line and they themselves are a major cause of inflation and government expense. Every percentage point rise in the interest rate increases our deficit by $1.6 billion. This is not strong fiscal management.

• (1210)

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me be quite clear with hon. members. What is causing inflation is a range of things, including the fact that the economy has been growing more quickly than the capacity of the country to handle that growth.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): There is loud cackling from the front benches of the Liberal party who clearly do not understand the nature of inflation in this country.

Mr. Simmons: And so there should be at you. You are a joke in finance.

Mr. Wilson (Etobicoke Centre): What we are doing is keeping interest rates high to stop inflation from getting out of hand. We are also, through our fiscal policy, getting our deficit down as well, in order to stop the inflationary pressures in this country. What we are determined to do is avoid the problems that we had in the 1970s and early 1980s.

Mr. Peterson: It's self-induced inflation.

Mr. Simmons: All across the country you are a joke.

Mr. Wilson (Etobicoke Centre): The hon. member from Newfoundland is making funny signs again. He clearly does not understand that in the 1970s, the Liberal government of the day swept the problem of inflation under the carpet. What happened? In 1976, we had a 5.5 per cent inflation rate. In 1981, we had a 13 per cent inflation rate. That led to 20 per cent plus interest rates and that in turn led to unemployment of 13.5 per cent. That, Mr. Speaker, we are determined to avoid and we will avoid.

Mr. Deputy Speaker: We will complete Question Period with questions from the member for Kamloops.

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COMMENTS OF FINANCE COMMITTEE CHAIRMAN

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I regret I have to raise this issue with the Acting Prime Minister, but he will be well aware that following yesterday, and still today Albertans are seething from the comments made by the chairman of the finance committee. I know he will take this, as an Albertan, very seriously.

The chairman of the finance committee said again today that he stands by his comments. "I think that's my job", he says. "I have to call them as I see them. You have got to be frank with people". Well, be frank with people. He was calling Albertans and all the members here who represent Albertans, ignorant, stupid, out of touch, out to lunch, because he did not happen to agree with the Conservative tax policy being discussed at the hearings.

My question to the Acting Prime Minister is simply this, Mr. Speaker. The chairperson represents all of us—this is an all-party committee made up of representatives from the three political parties. When he speaks, he speaks for the committee. When he calls Albertans, or westerners generally, ignorant and stupid, what does the Acting Prime Minister now plan to do about these remarks and, more particularly, about the chairman of the finance committee?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Prime Minister will be speaking as the leader of the government party in the House of Commons to the chairman of the finance committee. He has had an opportunity to look at the transcript of the remarks and will be speaking directly to the chairman of the committee.

I think that the hon. member in his excitement to try to exploit an issue is creating some unusual precedents when he suggests that the chairman of the standing committee in his every utterance speaks for all members of the committee. During an earlier incarnation, I learned not to extend that kind of latitude to the hon. member in question.

Mr. Riis: Mr. Speaker, my supplementary question is to the Acting Prime Minister. It is a most serious matter when a serious financial spokesperson for the House, but particularly for the government, and a chairperson of the finance committee, calls Newfoundlanders "nobodys"; makes fun and ridicules senior citizens. Most recently, he called those of us who live in and represent western Canadians "stupid and ignorant" requiring grade V teachers from Toronto to come out west to educate us.

It would seem to me that the Acting Prime Minister should take this matter a little more seriously. When he said today that he stands by those comments, that in fact we are ignorant, that those of us who live in western Canada are stupid, surely as a representative of the government, and, in the absence of the Prime Minister who unfortunately had to leave, he would ask the hon. member to apologize to the people of western Canada in this instant and indicate that the government is quite prepared to ask for the resignation of the chairman of the finance committee.

Mr. Clark (Yellowhead): Mr. Speaker, I think the hon. member understands the rules of the House better than that. Certainly, I would hope that someone born in High River Hospital has a better understanding of the rules and the institutions of the House than he is now displaying.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): If an apology is to be forthcoming, the apology would have to be forthcoming from the individual member. The member understands that, and I think the House understands that. They also understand that the Prime Minister has indicated he will be speaking to the chairman of the finance committee and the House will be meeting next week.

ROUTINE PROCEEDINGS

[*English*]

COLUMBIA RIVER TREATY

TABLING OF ANNUAL REPORT

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 32(2), I am pleased to table, in both official languages, the annual report of the Columbia River Treaty Permanent Engineering Board to the Governments of the United States and Canada for the period October 1, 1987 to September 30, 1988.

Routine Proceedings

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the government's response to Petition Nos. 342–0723 and 342–0875.

[*Editor's Note: See today's Votes and Proceedings.*]

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STRIKING COMMITTEE

PRESENTATION OF THE FOURTEENTH REPORT

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the fourteenth report of the striking committee.

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

I would ask that we dispense with the reading of that report by the Clerk at the Table, as that report concerns only membership changes to committee.

Mr. Deputy Speaker: Is there unanimous consent to dispense with the reading?

Some Hon. Members: Agreed.

[*Editor's Note: See today's Votes and Proceedings.*]

CONCURRENCE IN FOURTEENTH REPORT OF STRIKING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, if the House gives its consent, I move that the fourteenth report of the striking committee presented to the House earlier this day, be concurred in.

Mr. Deputy Speaker: Does the hon. member have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I want to use this occasion to make a few short remarks about the intention of this report. One of the critical points in this report is that the elections of the chairs of the various committees be automatic and we do not necessarily have to go through this process on a regular basis.

I want to say on behalf of the New Democratic Party that on balance we have no concerns that the chairs of the committees act in good faith. There are some exceptions and we are concerned that with this particular report and this particular motion before us, the committees would lose the opportunity to reaffirm the leadership of the various committees.

I want to say something specifically about the chair of the finance committee. Over the last two days, I have drawn the House's attention to comments made by the chair. He referred to Albertans being stupid and ignorant, Newfoundlanders as being nobodys with no need to be heard on the important issue of the new GST tax, and suggested that senior citizens do not go anywhere so why would they be concerned with tax increases. He inferred they do not wear out their clothes, they do not travel, and they do not do much. This is ridiculing the seniors of the country. Obviously these are concerns shared by all members of the House.

In some cases, he does speak for the government, obviously when he indicated that universality was not a sacred trust, that the city of Ottawa and the people of Prince Edward Island would suffer for not voting Conservative. During the election campaign, he said that the GST would add a $10 billion windfall for the federal government which, of course is true, as we have seen from recent papers. So one assumes that he is speaking, not only for the finance committee, but also speaking for the government in terms of its intentions.

I want to simply say that we are concerned with the way in which the chairman of the finance committee has been conducting himself.

[*Translation*]

Mr. Deputy Speaker: The deputy leader of the Government in the House of Commons, on a point of order.

COMMITTEES OF THE HOUSE

• (1220)

[*English*]

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, first of all, I want to say that I am not surprised by the point made by the House leader for the New Democratic Party. He has, over the last two days, shown some interest in this question. I know there are other issues and questions in which he holds some interest. Some of them may be more procedural or technical, and I think they have to do with the fact that he is arguing his case at the wrong point in time. If an opportunity was offered to us to put before the House the draft consent order, then maybe his comments would be appropriate in that context.

I see him nodding his head. We have dealt with the motion presented by the whip of our party. If there was unanimous consent for that, and I believe there is, maybe I can put this motion before the House now and we can discuss it. I move:

> That, notwithstanding any Standing Order or practice of the House or its Standing or Standing Joint Committees, the incumbent chairmen of the Standing and Standing Joint Committees shall continue in office until the committee concerned shall otherwise order, provided that House Standing and/or Standing Joint Committees whose chairmen cease to be members of the committee shall proceed to the election of a new chairman as their first order of business.

So I now understand that the motion presented by my colleague has been dealt with and we are now on this motion.

Mr. Deputy Speaker The first motion moved by the Member for Calgary West is adopted by the House.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I appreciate the interjection by my hon. friend.

I will continue with my remarks, the first part of my remarks being out of place in terms of order. In a sense I think that I have made the point that, on balance, we have no concern with the role and the effectiveness of the chairs of standing committees. They do an excellent job under difficult circumstances.

However, there are some where we have difficulties. There have been some committees that have refused to meet. The energy committee was one of those committees. At a time when a number of energy crises were before the country, the chair refused to call the committee together. We have had difficulties from time to time. I am focusing on one individual. I must say I personally find it difficult to do that, because in terms of his knowledge of financial matters, and the leadership that he has given the finance committee, and the status to which he has elevated the finance committee to deal with complicated matters he has been exemplary. But, unfortunately, I cannot, as a parliamentarian, simply stand by when a chair of a committee who I believe represents the members of that committee, makes such inappropriate and unacceptable statements regarding Canadian citizens. It is for that reason I have intervened in this process where normally an intervention would never be necessary.

Having registered concerns on behalf of the New Democratic Party, we will pass this motion on division. The intention, of course, is to register our concerns with the words uttered by the chair as a reflection against upstanding Canadian citizens from all parts of the country.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I would like to say a few words on behalf of what I hope is the entire striking committee which has representation from all three parties in the House.

The job of recommending to the House the members of committees is not the easiest job in the world and from time to time there is some discord in the House. But I believe members of the striking committee are rather consistently guided in their attempts to choose members to be on our standing committees and from time to time on our legislative committees who will work hard, do the job, and who bring to that job some considerable background and expertise. Members of the striking committee are concerned about the quality of the research, the quality of the advice, and the quality of the reports that come back for consideration by all members of the House.

From time to time it is unfortunate when members of the House use an inadvertent set of words or a deliberate set of words that are perhaps inflammatory. Those of us who have been around for ten years or longer have sometimes seen an awakening of public understanding of something that comes from those attempts. Sometimes we should not be as hasty as we might be to condemn a particular set of words, because there is a message in them. Sometimes in this House the words we use are so flowery and so complex that they defy understanding by most Canadians. Sometimes, I wonder if even those who utter the words really comprehend what they have just said.

Any quarrel that the House leader of the New Democratic Party has with the member is appropriately taken up when the member is present. It is perhaps unfortunate that the debate arose at this time. We have had through the process of parliamentary reform in the last five years a great deal of co-operation in evolving and developing the methods that help parliamentarians to participate in a much fuller way in the development of public policy. The particular exercise that took place in Edmonton this week with the finance committee travelling was not the kind of common exercise that existed in this place when I first came 10 years ago.

What is before the finance committee at this point is a proposal, a technical paper. Members of that committee, members from all sides of the House have been asked to go out, hear the Canadian people, come back to the House with advice as to whether the content of that technical paper will help Canadians.

Members of committees who travel experience a sense of frustration from time to time because people come with complaints without having done the background work that would indicate to the members of the committee that they have read the document and therefore are speaking to the document. It is my understanding that that has happened more than once in the finance committee's hearings in different places. It certainly was happening with the committee on unemployment insurance as it travelled the country.

When members are travelling and moving from community to community, day to day and working from early in the morning until late at night on our behalf, they get a little short tempered sometimes; they may become a little less prudent than they might be. All of us can take comfort in the reality that the finance committee, including its chairman, is one of the hardest working committees in this House. This has been true for several years now. It is one of the best informed committees of this House. When you look back at the end of the year they will have held more meetings than perhaps any other committee of this House. The quality of the work that they do is not always accepted by everybody, but there is nobody who can make the statement that the finance committee does not do a lot of homework and produce a sensible set of ideas as a consequence of understanding what it is that they are about. When that happens with a committee I think the chairman must receive some of the credit at least.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, to bring the motion into context, the purpose of the motion and the reason why we gave our consent to it was to simplify matters. Members will know that Standing Order 106 states:

> Within ten sitting days following the adoption by the House of a report of the Striking Committee, the Clerk of the House shall convene a meeting of each standing committee whose membership is contained in that report for the purpose of electing a Chairman, provided that forty-eight hours' notice is given of any such meeting.

The reason why we put this motion is in the interest of all committees so they can keep operating without having to go through the rigmarole of elections again. It is quite clear that the second part of the motion states: "Provided that those Standing and/or Standing Join Committees whose chairmen cease to be members of the committee shall proceed to the election of a new chairman as their first order of business." The purpose is to help committees continue with their work, and personally I think they are doing an awful lot of good work without having to go through the election in every committee of a chair and a vice-chair. Basically, we gave our support to that. We will enter into any debate as to whether members of certain committees are not holding meetings regularly or whether there are chairmen of committee or chairpersons of committees making remarks that we do not agree with, we will use committees to do that, not the House.

Mr. Deputy Speaker: The House has heard the terms of the motion moved by the deputy government House leader. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to.

[*Translation*]

PETITIONS

PROPOSED GOODS AND SERVICES TAX

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present a petition on behalf of Canadian men and women who are opposed to the GST, and my petition has been properly certified.

• (1230)

[*English*]

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I rise today to present a petition from my constituents concerning the proposed goods and services tax. The people feel that this tax is regressive because it asks low and middle income Canadians who are already overburdened with tax to foot the bill for government excesses.

The people have expressed their opposition to this tax and I can only hope that these cries of anguish are loud enough to restore the hearing of this government.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have two petitions: one of them deals with a subject of some importance to 143 Ottawa—Vanier constituents.

[*English*]

Indeed, Mr. Speaker, these people take exception to the proposed goods and services tax and its applicability to music lessons. They humbly pray and call upon Parliament to consider music studies as an educational process and therefore exempt music education from the proposed sales tax.

The other petition that I have, signed by constituents in my riding, also refers to the GST and considers that the present government in proposing this tax is possibly doing the wrong thing for Canadians.

It says: whereas the Liberals on behalf of Canadians strongly oppose this goods and services tax, which is an unprecedented tax grab from the pockets of Canadians and will hit them not only with higher taxes, higher inflation, higher interest rates and higher unemployment, wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to reject the proposed goods and services tax.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, on behalf of a number of constituents from Saskatoon—Humboldt and the surrounding area, I present a petition which calls upon the government to reject the current proposal of a goods and services tax and points out that the goods and services tax amounts to a tax grab and is one of the unfairest approaches to taxation in the country.

The petitioners call upon the government to reject the proposal and shift the burden of taxation to those people who can pay it most.

VIA RAIL

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, pursuant to Standing Order 36, I am honoured to present a petition on behalf of a number of people from western Canada who are calling upon the government to reconsider the decision to curtail VIA services in certain parts of Canada and to dismantle it in others.

The petitioners are asking Parliament to maintain, improve and modernize VIA Rail in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound, and energy efficient alternative to other means of transportation.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I have the honour of presenting a petition signed by more than 800 residents in the riding of Carleton—Gloucester, in which they object to the GST, the tax proposed by the Conservative Government. They are very much concerned about the negative impact this tax will have on the community.

[*English*]

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, pursuant to Standing Order 36, I present a petition on behalf of concerned Canadian citizens who will be negatively impacted by the goods and services tax. I would specifically like to refer to the constituents of Western Arctic, who will be grievously impacted in the area of transportation and communications, which they rely on so heavily.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I rise under Standing Order 36 to present a petition signed by many concerned Canadians.

They feel that the proposed goods and services tax would cause hardship to low and middle income Canadians and that it will create a tremendous burden on small business. The petitioners call upon this Parliament to reject this proposed goods and services tax.

BILL C-21

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am pleased to rise, pursuant to Standing Order 36, to present a petition concerning Bill C-21, which will soon be reported back to the House.

This petition has been circulated by a person in my riding of Ottawa West who has spent her entire life working with, being a volunteer, and is now spending her retirement working for the dignity and worth of those who do not fully share in the wealth of our prosperous society.

She and her friends object to being told by the Prime Minister in October that unemployment insurance would not be cut when that is exactly what is being done.

She calls upon Parliament to reject the cuts in the unemployment insurance system, to propose more meaningful reforms and to concentrate on a labour force development strategy combined with a full employment policy and an effective regional development policy.

PROPOSED GOODS AND SERVICES TAX

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, pursuant to Standing Order 36, I have a petition with 36 signatures to present.

These petitioners are retired persons and are concerned with the government's proposed goods and services tax. They feel this tax will cause severe hardship, not only to themselves as seniors, but also to low income persons.

The petitioners call upon Parliament to reject the goods and services tax.

VIA RAIL

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I too rise under Standing Order 36 to present a petition from Canadians who are concerned with this government's attitude toward VIA Rail. They are mostly in the Windsor corridor area, but I know they will support our call for remote VIA Rail services to be studied in a fair and public manner by this government.

PROPOSED GOODS AND SERVICES TAX

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I have the honour to present a petition pursuant to Standing Order 36 on behalf of residents of my riding, Scarborough—Rouge River and the surrounding area.

The petition is certified as correct. The petitioners have executed the document to express their opposition to the government's proposed goods and services tax.

[*Translation*]

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, on behalf of the Saint-Laurent Associatioon of the Disabled, it is my privilege, pursuant to Standing Order 36, to present a petition on behalf of people who object to the new universal goods and services tax proposed by the Government because it would cause severe and undue hardship for low-and middle-income Canadians.

[*English*]

Also, on behalf of the Senior Citizens Council of Saint Laurent and pursuant to Standing Order 36, I wish to produce this petition to the House asking that the government reject the proposed goods and services tax because of the hardship that will be incurred by low and middle income families.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I rise pursuant to Standing Order 36 also to present a petition signed by residents of Toronto and Scarborough.

These persons are very concerned that the government is about to impose on Canadians an unfair, regressive, vicious tax in the form of the goods and services tax. They call on Parliament to reject the proposed goods and services tax for the reasons I have indicated.

I may say that the petition was collected by my hon. friend, the member for Eglington—Lawrence.

Mr. Deputy Speaker: Has the member for Kamloops run out of petitions?

Mr. Riis: For today I have, but on Tuesday I will have other ones.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all remaining questions be allowed to stand.

Mr. Deputy Speaker: Shall all the remaining questions stand?

Mr. Milliken: Mr. Speaker, since it is Friday I did not want to put the hon. member in an embarrassing position but I do want to raise a point.

There are 17 questions on the Order Paper that have been there since June 27. One of them has been there since April 26. I realize that that is not a huge number but, nevertheless, it is significant given that the time limit for answering these questions is 45 days. These questions have been there for ages. It is now well over 90 days since the last one was set down in that group that I mentioned. It seems to me that the government might move with a little alacrity.

To help my hon. friend I should tell him that I recognize he is in a difficult position and I am not blaming him. It is perhaps a question of general malaise in the government.

There is a motion on the Order Paper, Motion M-460, which I have set down as a private member's motion. If my hon. friend would like to help himself a bit and help the government out of a really embarrassing situation, because it has a duty to answer these questions in Parliament, he could perhaps refer it today to the Standing Committee on Elections, Privileges, Procedures and Private Members' Business for study. Perhaps that committee would come up with some rules that would deal with these questions in a way that would enable my friend to get his answers more quickly.

I think the motion that I proposed would be helpful. It is sort of salvation sitting ready at hand to help the hon. parliamentary secretary. I would like to assist him in that way.

Mr. Deputy Speaker: Just to make matters clear, the member for Kingston and the Islands is in fact correct. Notice was given on June 27. However they were printed only on September 25.

• (1240)

Mr. Cooper: Mr. Speaker, I am glad you mentioned that because of course I did want to remind the hon. member that this was in fact the case.

I also want to say to him that far from being embarrassed by his intervention this morning, he is giving me an opportunity to discuss a couple of problems that we have. Mr. Speaker has very kindly covered one of the problems that has created some dilemma for us. We are trying very hard to meet those deadlines.

He should know that to date we are sitting at about 80.4 per cent success rate on our questions; on regular questions in some cases it is at 77.7 per cent; on priority questions, 87.5 per cent. This government has not only been establishing but continuing a very clear and solid record of answering those questions. Occasionally when there is a day or two, or in the odd case a week of delay, there are usually very legitimate reasons.

Quite often, as is the case right now with some of the items that my friend has referred to, we are waiting for those documents to be translated. Due to their length those questions have been a little slow at translation. We should have them back in good time.

Mr. Deputy Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FORGIVENESS OF DEBTS ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. Landry that Bill C-10, an act relating to the forgiveness of debts incurred or assumed in respect of certain official development assistance loans made by the Government of Canada to the governments of certain countries in sub-Saharan Africa, be read the third time and passed.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I feel very privileged to stand here in the House and speak very briefly to Bill C-10, an act relating to the forgiveness of debts incurred or assumed in respect of certain official development assistance loans made by the Government of Canada to the governments of certain countries in sub-Saharan Africa.

The government certainly should be commended for forgiving these debts. However, I think that we are overlooking something that has a much greater implication for the people of the sub–Saharan Africa than the forgiveness of debts. It is the human need, the human suffering, and the economic need that is present in the Third World countries today.

Canada has a decade of achievement on humanitarian grounds, on the approach that we have taken to people in need, but this accomplishment is being threatened for almost 900 million people; in other words one–sixth of mankind is sliding backward into poverty. That is a dreadful situation. We are all very concerned about our own debt here in Canada today. Some people applaud this government and the fact that it has cut back in foreign aid to the Third World countries.

I do not know how we can consider the steps the government has taken as brave when we look at the poverty and the children who are dying around the world. Of course we are concerned about our own, but we cannot be so narrow as to look only at our own nation. We have to look beyond our boundaries.

This government has reduced its commitment to Third World development and to the world poor. We know the bill has no impact on the budget of our country. Although the bill forgives debt, the government has not taken the leadership that has consistently been shown by Canada for a great number of years. Canada now ranks last among middle income developed countries as to its level of ODA. I do not think that is something we should all be very proud of as a nation.

It is a tragic situation when 40,000 children are dying every day in this world from malnutrition. The *State of the World's Children 1989* states that it is the young child whose growing mind and body are susceptible to permanent damage from even temporary deprivation. It is the young child whose individual development today and whose social contribution tomorrow are being shaped by the economics of now. It is the young child who is paying the highest of all prices and who will bear the most recurring of all costs for the mounting debt repayments, the drop in export earnings, the increase in food costs, the fall in family incomes, the run down of health services, and the narrowing of educational opportunities.

It is simply no longer necessary for approximately 40,000 young children to die every day in developing worlds and for so many millions more to live on with ill health and poor growth. Today the world is both aware that this tragedy is happening and capable of preventing it and ethics must march with awareness, morality with capacity. It is the poor and the vulnerable who are suffering the most and for two main reasons: the first is that the poor have the least economic fat with which to absorb the blow of recession. The second reason is that the poor also have the least political muscle to ward off that blow. The Government of Canada is not responding as it originally promised. It is an irresponsible attitude to a major world problem. I support the bill but I beseech the government to address the serious problems of the world's hunger and economic ills. Of course we must relate to our own debt as well as to the world debt. We cannot work in the isolation of what is happening in our own country. We all must become self–reliant. The government has taken the right step to introduce a bill to forgive the debt but takes no leadership in dealing with the root causes of poverty and debt.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I would like to make a very short comment on debate.

I believe this is an important albeit rather insignificant piece of legislation. We applaud this initiative called Bill C–10, which is really a bill to write off debts that the Government of Canada has made with a number of governments of African countries, namely the Republic of the Cameroon, the People's Republic of the Congo, Republic of the Ivory Coast, the Gabonese Republic, the Republic of Ghana, the Republic of Kenya, the Democratic Republic of Madagascar, the Federal Republic of Nigeria, the Republic of Senegal, Republic of Swaziland, Republic of Zaire, Republic of Zambia, and Republic of Zimbabwe.

This bill is a small step in the right direction and for that we are thankful, but it will go no way toward eliminating the horrendous debts faced by these countries. I draw to the House's attention that after this bill is passed Nigeria will still find itself with a debt in excess of $28 billion, Kenya with a debt in excess of $6 billion, and so on. These are countries where the situation is almost impossible under these oppressive debt loads, but the Government of Canada has taken this small step and for that I applaud it.

I want to make two short points. We do not want to leave the impression that the government is actually serious about foreign assistance. Not long ago the Prime Minister made a commitment on behalf of the Government of Canada when he spoke before the United Nations that it was Canada's intention to achieve a Overseas Development Assistance package relative to GNP with a ratio of 0.7 per cent by the year 2000. Mr. Speaker, 0.7 per cent of GNP going into Overseas Development Assistance would be an acceptable level and has been agreed for many years to be an acceptable level. Recently the government announced we will not reach that level of 0.7 per cent of GNP until at least the year 2040, so we have seen a reneging on that kind of commitment.

We only have to look at the last budget to be reminded of the cuts that have taken place: for international financial institutions, a cut of $56.5 million; for the voluntary sector, the non-governmental organizations, their budget was cut by $9.6 million. Multilateral food aid was cut by $32 million; multilateral technical assistance, cut by $12.8 million; bilateral food aid, cut by $24.4 million; international humanitarian assistance aid, cut by $4.5 million; geographic programs, cut by $130 million.

• (1250)

Mr. Speaker, here is the actual evidence. The proof, if you like, is in the eating of the pudding and when you eat it you find out that the government has substantially reduced in all areas its commitment to assisting those in need in the developing nations. Finally I am concerned with the comments made recently by the Minister of Finance when he was speaking at the Commonwealth Finance Ministers' Meeting in Kingston, Jamaica, on September 20, 1989, when he said: "Without the implementation of sustainable adjustment policies that lead to the re-establishment of self-sustaining growth, debt reduction and debt relief—" and I stress this point—"that debt reduction and debt relief do little more than buy time. Better domestic policies, not debt relief, are the key to sustained growth".

I become very concerned with those kinds of comments. Is this an indication that in terms of programs and action of debt relief the government is not interested in pursuing those options. By the fact that we have these overwhelming debt albatrosses around the necks of the developing countries, particularly the very poorest, is this government indicating that really what it needs is better domestic policies?

Let us be reminded that the prosperity that those of us in the first world countries and second world countries have was built originally by the exploitation of those third and fourth world countries. Therein lie the problems that they have today. The fundamental problem that they face in developing their domestic economic policies is the fact that we, as developed countries, exploited them so ruthlessly for so many years. They are really starting far back in the development process as a result of that exploitation.

We have an obligation as a country along with other western nations particularly to do what we can. While we applaud this small step in this minute debt forgiveness in terms of government to government loans, this only is the beginning and we will be pressing for a host of other initiatives that we hopefully will see taken soon.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, bill read the third time and passed.

* * *

CANADA-LUXEMBOURG INCOME TAX CONVENTION

MEASURE TO ENACT

The House proceeded to the consideration of Bill S-2, an act to implement conventions between Canada and the Grand Duchy of Luxembourg and Canada and the Polish People's Republic and an agreement between Canada and Papua, New Guinea for the avoidance of double taxation with respect to income tax.

Hon. Alan Redway (for the Minister of State for Finance) moved that the bill be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. Redway (for the Minister of State for Finance) moved that the bill be read the third time and passed.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I simply want to make two points that I think must be said. This bill is very straightforward and is meant to implement the agreement between Canada and the three countries that you have named, Mr. Speaker, to make life simpler for taxpayers who are doing business essentially in Canada and these three countries. We have done these with most countries now and we are catching up.

I did want to point out what I believe is an oddity. This is a very special initiative to remove a double taxation and to work in harmony with Poland and New Guinea and the Grand Duchy of Luxembourg, yet we cannot get agreement among the Government of Canada and the provinces to work co-operatively in terms of taxation methods. I refer of course to the GST. Perhaps we will see this as a forerunner of co-operation in the future, not necessarily on this issue.

I do want to take this opportunity to say that with the changes we have all appreciated taking place in Poland, of course referring to the new non-communist Solidarity led government, and with the enhanced human rights and the new openness that we find in Poland, we are reminded I think regularly by members of the Polish-Canadian community that Canada wants to do whatever it can to facilitate economic development and the enhancement of human rights in Poland and to assist in a variety of other areas.

This means that Canadians, by definition, ought to be actively involved in Poland, particularly in economic development projects. There are a number of initiatives that are under way now and that are being planned in the months ahead.

This legislation will facilitate and encourage Canadians to participate economically in Canada and in Poland. Not that it will not be beneficial to the other countries named, but I think the timing is very appropriate and hopefully will give the incentive and encouragement to Canadians to do what we can to assist the Government of Poland and the people of Poland in the development of their country.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I agree with the comments made by the hon. member for Kamloops. We in the opposition of course support this legislation. I simply want at this stage, since it is about to be passed by this Chamber, to acknowledge the excellent work done on this bill by the members of the other place, particularly with its beneficent Liberal majority in the other place who studied this bill extensively. We are satisfied that their studies indicate the bill is in proper and satisfactory form, and we are happy to assist in its passage here today.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the third time and passed.

* * *

NATIONAL ENERGY BOARD ACT

MEASURE TO AMEND

The House resumed from Monday, June 26, consideration of the motion of Mr. Epp that Bill C-23, an act to amend the National Energy Board Act and to repeal certain enactments in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Maurice Foster (Algoma): Mr. Speaker, I want to make a couple of comments about this bill. Although these are mainly housekeeping provisions in the bill, of a technical nature, I think we have to be very concerned about the general direction that the government is going with energy policy as a result of the free trade deal with the United States.

Clearly that agreement gives access by the United States to our energy sources. It guarantees the Americans supply and guarantees them access to our resources. It emasculates the National Energy Board which was set up back in 1958 after the pipeline debate, because John Diefenbaker was very concerned about the future of our energy supply and the control that the United States would exercise over it. I think that there is a lot of concern by Canadians that we are guaranteeing supplies to the U.S. regardless of what shortages may occur.

At the present time they are moving up toward 40 per cent supply of our natural gas. That means if we have shortages of natural gas in the future, we will have to guarantee out of whatever source of supply there is from Canada that 40 per cent will go to the United States. The percentage may even go higher than that. I think we have to be very concerned about what is happening with this government in its head-long rush to a total integration of the North American economy, not only in manufacturing and other programs, but especially in energy programs.

• (1300)

I note that in the bill, the government proposes to reduce the number of members on the National Energy Board from 11 to 9. That just means there will be fewer members of the board who will have a lesser scope of knowledge about the number of issues which come before them. The weakening of the board is a very serious mistake because we cannot guarantee that supply for the future.

Many Canadians express horror at the fact that we are shipping something like 700,000 or 800,000 barrels of oil a day to the United States, essentially pumping out the western sedimentary basin, looking toward the future supply of very high-priced oil from the Arctic regions, from the Beaufort Sea, from non-conventional oil in the tar sands, from the east coast off-shore regions of our country.

This is oil that probably cannot be brought on stream for something less than the $30 to $40 a barrel range, while at the present time our oil from the western sedimentary basin at $18 or $20 is being exported in unsurpassed amounts to the U.S.

Weakening the National Energy Board is a mistake. Guaranteeing the United Stated that it will be able to have our electricity from Ontario at the same price as our own domestic producers is a mistake in the free trade deal. After all, Ontario Hydro and the people of the province of Ontario will commit in the next few years some $40 billion of the credit of this province to produce energy essentially at cost. Why should we be selling electricity at our cost price if the price in New York City is double that or higher? Yet in the free trade deal we have given that away.

The other part of the bill which I find of some concern is the part with regard to cost recovery. I know that the government is moving to do this in the energy field under the Atomic Energy Control Board Act as well. At a time when uranium producers are facing the most difficult time in their history—when uranium that can be produced in communities like Elliott Lake and mining camps like the Elliott Lake camp probably requires something in the range of $25 to $30 a pound to produce while the world price is around $10 a pound—the government is planning to impose charges for inspection by the Atomic Energy Control Board. Surely if there is a time not to hit an industry, it is when it is down. When the price of the commodity is $10 a pound and the cost of production is in the $25 to $30 per pound range, surely that is not the time to impose new charges. Yet essentially what we have is the analogy of the person who is being charged for speeding having to pay the salary of the policeman.

Surely the protection of the environment and the protection of the public is a general responsibility of the Government of Canada not of the individual who is being inspected by the regulatory agency. I think that is the same thing that we are facing here.

Often the energy industry faces a downturn. In the past couple of years, we have seen prices as low as $10 a barrel for crude oil. Imposing new costs often threatens the viability of small producers. I am not familiar with the exact details with regard to the oil and gas industry, but clearly that is the case in the uranium mining industry because of those new cost recovery programs. Therefore, I hope the government will back off with regard to uranium mining because uranium is an important energy fuel as well.

This is a technical bill and because of that it is difficult to know all the implications. I know that when it goes before the Energy, Mines and Resources Committee that members from our caucus will want to look more closely at these arrangements to ensure that we are not giving away the store because of these amendments with regard to electricity exports to the United States.

Clearly groups like the Ontario government and Ontario Hydro thought that the decisions which were made were apparently injected into the free trade negotiations in the last moments of the negotiations in early October, 1987, with no prior notice. These, at least to Ontario, were terribly irresponsible giveaways. I hope that this legislation is not simply implementing those decisions which are harmful to that important industry.

Mr. John Brewin (Victoria): Mr. Speaker, I rise to speak in this debate perhaps with some uncharacteristic diffidence because energy and certainly the production of electrical energy is not a matter of direct significance to my constituents. I might say that I have not had an opportunity to work directly in this field.

However, electrical energy is an important and vital industry to all Canadians and it has played an historic role in the development of our country. This bill is of concern, not just to those on the producing side, but to consumers and to all Canadians for what it says about the future not only of this particular industry but as well of those who are concerned with the environment.

Electricity is going to become even more important in the future than it has in the past. Electricity is an issue that goes to the whole question of increasing concern over global warming caused by emissions of carbon dioxide. It is the least damaging form of energy to the environment and thus offers us in the long run a significant potential to avoid the terrible destruction to the environment and to the ozone layer that is now beginning to be recognized, and to which the government says it is committed.

The questions of how we produce electricity and how we conserve it are becoming increasingly important. Because electricity is becoming increasingly important to Canadians, it stands to reason that this bill and how we regulate electricity in the years to come must receive very careful consideration in the House.

In the few moments allowed to me today, let me first highlight the history of electricity regulation in Canada and particularly the reasons for federal regulation. I would like then to set out our concerns from this part of the House on the bill itself. It is our view that this bill does not adequately protect the interest of Canadians in the future and must be opposed by the House.

For historical reasons, there has been a considerable overlap between provincial and federal jurisdictions in the electricity industry.

• (1310)

The industry began, of course, as a collection of very small plants serving isolated communities. As a result, when the British North America Act was adopted, the provinces moved quickly to claim jurisdiction over the regulation of the industry. The Act itself, of course, gave to the provinces jurisdiction for the development, conservation and production of electrical energy.

The same document, the British North America Act, granted authority over international trade and commerce to the federal government and to the federal Parliament. As a result, as the efficiency of Canadians to produce electrical energy increased and the possibility began emerging of electrical exports, the federal Parliament and the federal government undertook increasingly the regulation of international power lines and of exports across our borders. It is in this area that the federal regulatory system has been developed. It is this that is being tampered with by this proposed legislation.

From the outset, the federal government, on behalf of all Canadians in the public interest, held firm to one principle. The principle was that all quantities of electricity to be exported must be surplus to the present and reasonably foreseeable future requirements of Canadians. Even when the National Energy Board Act of 1959 was extended and permitted, the maximum export licence period to go from one year to 25 years, there was a clear expectation that the long term–licences would be granted only in exceptional circumstances.

It was only in 1962, under a Conservative government, I may add, that the then Minister of Trade and Commerce departed from this past policy at least to some extent. In his statement of national power policy, the minister said that long–term exports of power could be justified to permit the development of large–scale power projects which depended upon long–term export contracts for their financial viability.

We saw in 1962 the beginning of a breach of the fundamental policy that had covered exports since Confederation, a policy which put the primacy of securing Canadian supply both in present and in the future, at the heart of Canadian public policy. We began seeing a Conservative government inject into the debate the needs and requirements of private interests in the area of electrical production and of provincial interests on the production side.

We on our side of the House have never argued against the need to balance the production requirements and possibilities and potential with the larger issue of secure Canadian supply present and future. The legislation until now has protected the Canadian public interest by ensuring that there will invariably be a public open hearing whenever there is to be a new set of exports outside our borders and thus a further detraction from Canadian supply. It is these public hearings which have ensured Canadians that the public interest will be taken into account.

There are very important roles for regulation in the area of electricity export. It is important that Canadian consumers have a secure supply. It is important that Canadians have reasonably equal access, regardless of what region they live in. It is impossible to argue with the proposition that this industry must be regulated to ensure an equitable development in all regions of Canada. It is important to balance the interests of investors in a way that makes it consistent with the over-all public interest. If the industry is not adequately regulated, then it is possible that electrical monopolies which are shielded from competition can sell off electricity supplies to the detriment of the Canadian interest as a whole in maintaining a secure supply of these vital resources.

Under the system that we have, before these amendments come into effect, the National Energy Board issues electricity licences and orders for a period not exceeding 25 years. The NEB authorizes the construction and operation of international power lines and regulates inter-provincial power lines when designated by the Governor in Council. Finally, the board regulates the detailed routing of international and designated inter-provincial power lines.

Under the present system the NEB focuses on two criteria; one, whether the export is surplus to reasonably foreseeable Canadian requirements and, two, whether the export price is just and reasonable. It is important to note that except in very minor cases, the board conducts a public hearing. It conducts a public hearing and uses evidence presented in that open public hearing to determine whether the proposal is in the public interest. The thrust of this bill is to make exporting electricity from Canada easier, to streamline the process as it is put. Obviously streamlining the process is in itself a worthwhile objective. No one is in favour of unnecessary regulation or duplication of effort.

The United States, importers of electricity, has complained about our means of protecting our own national interest. The Americans find our public hearing process cumbersome and inconvenient. But minor inconvenience is not in itself a good reason for loosening up our rules.

It has been suggested that there is a duplication of effort. In our view, there is no substitute for national as opposed to provincial process, a national process independent of political machinations to determine what is in the national interest.

We are completely unconvinced that the current process needs to be changed. More important, we are persuaded that the changes proposed in this bill could undermine the protection that existing legislation provides the Canadian public. We are concerned that the bill gives in to consumers in the United States who already enjoy substantial benefits at our expense.

Let me be specific. Under this bill, the National Energy Board will routinely grant export licences and permits in most cases. In only a few cases will public hearings be required. As long as the sponsoring province has apparently complied with relevant federal environmental processes and as long as the provincial regulation is deemed to be sufficient, exporters need only obtain a permit. They can thereby usually avoid a federal public hearing. The second significant effect of this legislation is to increase the duration of export licences from 25 to 30 years. Finally, the NEB will be required to recover its costs.

Our concern about the bill, first and foremost, is that most export applications will not require a public hearing because of what will be the usually routine granting of permits. We say that no compelling reason has been advanced for making public hearings less frequent, especially given the importance of electricity to our national energy future. No evidence has been produced that will indicate that the existing process is unnecessarily burdensome.

A closed process seldom serves the public purpose well. An open system may not be convenient in every case, but it does serve the public interest. The case that the current process is too vexatious simply does not hold up.

While the NEB has forced alterations to export proposals, it has never refused an export application for electricity. The large utilities that wheel and deal in electricity generally seem to manage pretty well for themselves.

• (1320)

Second, the bill could politicize the decisions regarding whether simply to grant a permit or to hold public hearings to consider export proposals, because under the present system if the NEB is determined on the basis of its analysis that a given export application is not in the public interest, it would recommend to cabinet that a proposal be examined in greater detail by a public hearing. Under this bill, the final decision as to whether or not a public hearing is to be held is to be made by cabinet. This means that the decision under this system is much more likely to be made on narrow political grounds.

We have some examples. If a particular region in Canada has extra clout in cabinet, that region's political interest invariably will be considered by cabinet. Cabinet is a political body. The whole idea of setting up something like the National Energy Board is to establish an independent tribunal with a clear and separate independent mandate to look out for the public interest. That interest cannot be served if decisions can be made in secret by cabinet.

The authority of the National Energy Board could be seriously undermined if cabinet decided, again for political advantage, to reject recommendations of the NEB. This perhaps need only happen once, but if it does happen, the whole authority and credibility of the NEB is compromised. In that event, the NEB, even in anticipation of being overruled by cabinet, is going to have to become more political in its decision-making than it is mandated to be now.

The current arm's-length relationship between the NEB and the government serves the interests of Canadians and should not be changed. We must avoid the politicization of the process that depends on calm, impartial deliberations to protect the Canadian interest.

Let me address the change from 25 to 30 years. The Government House Leader made some reference in his remarks when this bill was being discussed in June to suggest that this was just a casual, narrow matter, that it was just a trivial change. If it is such a narrow, trivial change, why make it at all? If the thing works, don't fix it, a good Conservative philosophy, I would have thought, that would have commended itself to this government.

The only justification for extending from 25 to 30 years the maximum duration of export licences is to serve the industry and not the Canadian public interest. Given the recent upsurge in expression of concern about the greenhouse effect, it seems to me entirely likely that electricity and particularly electricity generated by hydroelectric facilities will become an increasingly important asset to this country. If that is the case, then why does the Canadian government allow even longer periods for export contracts to be signed?

The government's focus on making electricity exports easier is all the more worrisome in view of the proportionality provisions in the free trade agreement. Further, making exports easier now runs the risk of Canadians paying higher, not lower, prices for electricity in the future. Let me quote from a representative of The Consumers' Association of Canada, Tanis Mathers, as reported in the September 8 edition of the *Montreal Gazette*:

> The fear is that—new projects needed to fill the demand at that time may be more expensive and increase electricity rates for domestic consumers.

It should not escape the public's attention that many of the costs associated with the nuclear industry will not be covered by the current consumers of electricity but by future generations. Even the National Energy Board has expressed concern that Canadians will soon be paying more for their electricity. The following paragraph appears in the 1987 report on the regulation of electricity exports:

> Unlike many manufactured products, most Canadian electricity production may be subject to increasing costs. Utilities generally develop their more favourable hydro sites first. Thus, if any but the costliest sites were developed to service the export market, the selling utility would have to develop a more expensive hydro site to service Canadian demand earlier than without exports. This means that, because of exports Canadians would pay more sooner for their electricity. Similarly nuclear safety and siting is expected to become increasingly costly over time—

If in fact this country continues to develop in the area of nuclear safety, I may add. There is another recent development that will mean Canadians will pay more sooner rather than later and that is the goods and services tax. Under that tax, the sales of energy within Canada will be covered but not sales to U.S. consumers. As a result of the tax, the GST will penalize Canadian consumers for living in Canada.

I would like to draw to the attention of the House the words of then Prime Minister, the Right Hon. John Diefenbaker. He stated in the House of Commons on May 26, 1959, as reported in *Hansard* at page 4025:

> As to the price to be charged for gas and power, it must be just and reasonable in relation to the public interest. With the implementation of this legislation no longer will there be any suspicion that the Canadian consumer is being forced to subsidize the foreign markets or that Canadian industries will—

Let me just say in conclusion that electricity is a strategic commodity. It must be carefully and jealously husbanded. We must ensure that the decision on whether or not to export it is made on rational grounds in open public hearings. We must ensure that the decisions are not politicized. We must protect the independence of the process of the National Energy Board. We must not increase the duration of export licences by 20 per cent. We must ensure that Canadians not Americans, gain the most from this most valuable Canadian resource.

In summary, this bill must be reworked and it must be defeated.

Mr. Hovdebo: Mr. Speaker, one of the greatest comparative advantages that Canada has had over the years has been the relative abundance of and easy access to energy, be it gas, oil or electricity. The actions of this government over the last few years has put that comparative advantage in jeopardy. The jeopardy I am speaking of is the fact that now, under the free trade agreement, we have promised that we will charge our own people the same price as we charge when selling that energy to the United States. In other words, the comparative advantage of abundance is gone because of the free trade agreement.

Besides that, we have, as the member indicated, put on a GST or are going to put a tax on energy used in Canada. That tax suggests that anything exported will not be taxed. What kind of an impact does the hon. member think this loss of comparative advantage will have on Canada, particularly on his own region on the coast of British Columbia?

Mr. Brewin: Mr. Speaker, I thank the member for the question. It is very clear that to the extent to which a negative two-price policy develops, the interest of consumers and the long-term economic health of the country will suffer.

• (1330)

The GST, as applied to the sales of energy within Canada will in fact add to the price of electrical energy to Canadians and put this country, therefore the users of electrical energy, at a competitive disadvantage to those in the United States, assuming that the same price is approved in energy sales and the policy continues.

We have had a long debate over the last two decades in this country about the appropriate pricing strategies *vis-à-vis* exports. We in the New Democratic Party have consistently argued—and one the most eloquent spokespeople on this was our late leader, Tommy Douglas, who had a substantial impact on the thinking of Canadians by his effectiveness as a spokesperson for the proposition—that we must use our assets in energy, and in particular electrical energy, as a significant asset for Canadians to overcome some of the disadvantages that geography has given us in developing a manufacturing sector to our economy. This government has thrown that policy out the window by bending too much to large private production interests. We say there must be a balance in public interest.

Obviously, this country is a producer of energy. We have to use that as an asset and we must recognize the needs of the industry to develop, but those interests must be kept in balance with our social and economic interests of having a strong industrial sector, of having beneficial and effective prices for our consumers and, in the final analysis, of conserving a resource such as electrical energy which will help us in defeating the problems that inflict our environment.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am pleased to have an opportunity to say a few words on Bill C-23, an Act to amend the National Energy Board Act. I commend my colleague from Victoria for the contribution he has made to the debate. It was a most enlightening contribution. I would like particularly to expand on the points that he just made in response to a question.

A country always tries to take advantage of its assets in terms of becoming competitive in the international market. One of the things that Canada has that puts us ahead of so many other countries is in fact a widespread energy base. We have abundant energy resources and we should be taking advantage of this in terms of developing our economic infrastructure. That is why some of us are very concerned about the implications in this bill. Are we simply giving away this trump card we have in terms of dealing in the international market-place.

I do not have to remind you, Mr. Speaker, that electricity is of vital importance to our country and it is this importance that encourages me to participate in this debate today.

However, I must say that I rise for another reason. It is my firm belief that electricity will become even more important in the future, indeed strategic in the future when we will finally begin to take some initial steps toward addressing the serious problem of global warming caused, in large part, by the emissions of carbon dioxide.

In the last few days we have discussed the cuts to VIA Rail and the environmental insensitivity of that decision. I think we are all hoping for the day when we see electrical driven high speed trains in the major corridors of the country. That would be a major advancement in reducing carbon dioxide emissions and a major move toward cleaning up environmental pollution. Obviously in the future electricity is going to be playing an even more important role than it has played in the past.

Because of this importance, how we regulate electricity in the years to come should receive very serious consideration. This bill before us leads us, quite frankly, to a host of concerns. I think it is fair to say that the reasons for regulation of electricity exports include that it is important for Canadian consumers to have a secure supply. In the past government departments said: "We have an ample supply of oil for decades in the future", and we found ourselves in an oil shortage not long after. Therefore, there is a concern among Canadian citizens that we take steps to ensure that we have a secure supply long into the future for our own consumption purposes.

It is also important to Canadians to have reasonably equal access, regardless of where they happen to live in the country. We are fortunate to be blessed with hydroelectric resources throughout the country. However, there are some areas that are more advantaged than others. We have to recognize that we, as a national institution, have an obligation to ensure that all Canadians, regardless of where they happen to live, have equal and fair access to our hydroelectric resources.

As well, it is important to regulate the industry to assist development in the regions. A number of countries, particularly western European countries that are led by social democratic parties, use electricity to encourage economic development in more remote areas, to encourage manufacturing and so on in areas where probably it would not normally take place but where it provides job opportunities and so on in the hinterland, so to speak. We must do that as well as being opposed to concentrating all of our economic activity in the growth areas of southern Ontario and other specific locations throughout the country.

Another reason for regulation of our electricity exports is that it is important to balance the interests of investors with the over-all public interest. If the industry is not properly and adequately regulated, it is conceivable that electrical monopolies which are shielded from competition could gouge their customers—and we know of those examples—or that a group of investors or, indeed, even a province could push through a profitable electrical enterprise that would pollute the surrounding area, for example, and would not be in the national interest. Or we can foresee short-sighted decisions taken today that could cause future generations to pay more for their power than would have been the case if the plight of future generations had been considered by a well-established and independent regulatory authority.

Obviously, there are a number of reasons why regulation is necessary. I do not have to remind you, Mr. Speaker, of the current regulatory system. It is well understood. However, perhaps one aspect of our present system bears repeating, and that is that the National Energy Board conducts a public hearing and uses the evidence presented in that open public forum to judge whether the proposal is in the public interest or not. That public hearing process is critical.

A public hearing process, where Canadians can speak out on major initiatives being proposed so that in the end the best decision is made, is a critical component of the process that we have not seen recently with the VIA Rail decision. There have been no public fora, no hearings held on whether or not a certain line should be abandoned or a certain service should be curtailed or eliminated in part. We are hearing from across the country an outcry that the government has really erred in judgment on VIA because of its lack of serious input that experts and others could have provided through a public hearing process.

The main thrust of this bill before us is to make the export of electricity from Canada easier, to streamline the process. In itself that is obviously not bad. No one is in favour of unnecessary regulation, duplication of effort, red tape and frustration. No one wants to trip up exporters with unnecessary complications just for the sake of it.

However, we are all aware that the United States importers of electricity have complained about our means of protecting our national interest. I suppose we could say that is just too bloody bad. This is our national interest and if the Americans do not like our public hearing process and find it burdensome and inconvenient, well, that is too bad. It is our electricity, it is our future we are concerned with, it is our country we are concerned with, it is the people of Canada we are concerned with, and if the Americans do not like our so–called cumbersome process, I say that is too bad. We are not in the business of providing easy access by Americans to our natural resources, although this bill, unfortunately, does just that.

I and my colleagues in the New Democratic Party remain totally unconvinced that the current process needs to be changed. Perhaps more important, I am concerned that the changes proposed in this bill would undermine what protection the existing legislation provides for the Canadian public in the future. I am deeply concerned that this bill would mean that consumers in the United States would enjoy substantial benefit at our expense.

• (1340)

What are the main changes proposed in this bill that concern us? The most important change is that the National Energy Board will routinely grant export permits in most cases. As opposed to calling for a natural public hearing as part of any process, the National Energy Board can grant an export permit without necessarily calling a public hearing. They want to expand the maximum duration of export licences from 25 years to 30 years. I think it is important that most export applications now will not require a public hearing because of what will be the usual routine granting of permits. There is no compelling reason for making public hearings less frequent, especially given the importance of electricity to our national energy future. That is one of the assumptions built in.

The National Energy Board public hearings address issues of national importance. I believe that when a company wants to export electricity it is not necessarily thinking in the national interest. I suspect and would submit it is seldom thinking in the national interest, it is thinking in the interest of it's shareholders which is, of course, the business they are in. In some cases a certain province might be applying for an export application. It too might not necessarily be making judgments in the national interest but in the interest of the province.

We believe it is important that the national interest be taken into any consideration of exporting electricity to the United States. I would submit that a closed process seldom serves the public well. We always have to wonder why things are not being done in the open, why we would not have a public hearing, even if it is a streamlined public hearing. I think it is fair to say that it does serve the public interest well to be doing the business of the public in the open.

As my hon. friend from Victoria made so amply clear in his presentation, this bill would politicize the decisions regarding whether to simply grant a permit or to hold public hearings to consider an export proposal. We have seen too many decisions made not in the public interest but in the political interest of the government in office.

By the legislation, the final decision on whether a public hearing is held or not is made by cabinet, not the National Energy Board. This means that the decision under this system is much more likely to be made on narrow political grounds. I do not have to remind us of the F–18 decision on which every single expert who made his or her views known said that this particular proposal should go to western Canada; every single witness, every expert, and the government did exactly the opposite.

We have seen ample evidence that decisions that are very important to certain regions and certain provinces are made on political grounds I can see under this process under which no public hearing would be called where the members of a large province might say that it is in our interest as a province, or the area of Canada from which we come, to export substantially increased amounts of electricity to the United States when, in fact, it would be quite contrary to the national good. Again, this shows the political clout of large provinces, at least when it comes to population.

Let me simply conclude by repeating the idea that electricity will soon be seen as a strategic resource in the future of our country, not simply another commodity for export. I suggest that because it will be a strategic resource of the future it should be carefully and jealously husbanded and that means carefully regulated. We should ensure that there is always an opportunity for public hearings so the public's interest can be presented and the decision can be made in the interest of the public. We should ensure that decisions for electricity export are not politicized and are made as independent from the political process as possible. We should protect the independence of the chief regulatory body, in this case the National Energy Board, and we should certainly not increase the duration of export licences by 20 per cent. Twenty-five years is more than ample.

Always over our shoulder is the haunting spectre of the free trade deal. Many of us felt that this was simply a major step so the United States could get more control and more access to our natural resources which are of strategic importance; oil, gas and electricity. Now we see bills and legislation moving through the House to facilitate that opportunity, not for Canadians but for the United States and for Americans.

We should ensure that Canadians, not Americans, gain the most from our Canadian resources. This bill obviously needs to be seriously reworked. For that reason the New Democratic Party will vote against it at this stage. It is ill-conceived; it is wrong-headed; it is not acting in our best interests. We hope, Mr. Speaker, since the government majority will likely pass this bill at second reading, that at least during committee hearings and report stage sufficient amendments can be included to make this bill advantageous for Canada as opposed to advantageous for the United States of America.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, my colleague from Cape Breton—The Sydneys, in leading off the debate for our side, has said essentially what we need to say on this in so far as the provisions of the bill are concerned. I rise though because there is an aspect of the bill, certainly an implication in the bill, which has some particular specific import for the province that I have the honour to represent here together with a number of other people.

First, as has been said by a number of people, this bill seeks to facilitate the export of electricity to the United States. I could spend some time on that issue if I did not want to save my time for the other issue that I will identify in a moment. Just in passing, it seems that the garage sale of Canada continues. Come May, the month everybody decides to have a fire sale of sorts, they have what has come to be known in Canada as the backyard sale or the garage sale. Often you sell things you do not need, but that is not the analogy I am drawing here. You often sell them at fire sale prices and that is the analogy I am drawing here.

The garage sale of Canada continues. Everything is for sale at bargain-basement prices, but there is only one customer, the United States. I guess the garage sale analogy is not a particularly good one because even as a garage sale it is very restricted.

I want to come to another issue that is of concern to me, and I believe to many in this chamber, and that relates to the inconsistency here, the incongruity between, on the one hand, facilitating the export of electricity to the United States while at the same time preventing one province of Canada, the province of Newfoundland and Labrador, from moving its electricity across provincial barriers. This issue has a long and bitter history. It is not yet resolved and it is far from resolved. We who live in the province suffer because of the present situation.

I want to draw a parallel for you, Mr. Speaker, that you will be familiar with. We have our pipelines bringing gas from western Canada to Ontario and Quebec. There was never ever any question at the time it was proposed about the right to put the pipeline through the provinces of Saskatchewan and Manitoba so that the gas could be transported into Ontario. It was understood and facilitated by the federal government of the day that if there was a product, in this case gas, in western Canada that needed to be moved to the central and eastern Canada market that it ought to move. If that required a physical trespass of the provinces in between, in this case Saskatchewan and Manitoba, so be it.

Of course, members will be aware that for many years we have moved gas through a pipeline built across those provinces into Ontario and Quebec. Compare that circumstance with the following one: The province of Newfoundland and Labrador has at Churchill Falls in Labrador a magnificent hydro generation facility put there in the mid 1960s with the collaboration of the two provincial governments, the government of Newfoundland and Labrador on the one hand and the government of Quebec on the other, and in particular the collaboration of their respective hydro agencies; Newfoundland and Labrador Hydro as it is now known, in the one case, and Quebec Hydro in the other case.

• (1350)

I will not go into the details of the funding for that particular capital project because these details would be extraneous to the point that I want to make here. I ask you again to reflect on my example given a moment ago about the movement of gas from western Canada into Ontario via a pipeline across the provinces affected.

I ask you to compare that with the situation in which you have hydroelectricity generated in Churchill Falls, Labrador, in the province of Newfoundland for consumption elsewhere, for the most part in the United States. As you will know, Mr. Speaker, electricity from that source in Churchill Falls, Labrador, has for many years been consumed in the United States, particularly in the state of New York.

How does it get from Churchill Falls, Labrador, in the province of Newfoundland to the state of New York? A quick look at your map will show you that the most expeditious route is for it to go across the province of Quebec, and that indeed is the way it does go, but that is not the full story. It goes that way only because of a middleman arrangement where in effect Hydro Quebec is the man in the middle. Hydro buys from Newfoundland and Labrador Hydro and market sells to the customer in the United States.

That sounds like a fairly sensible transaction until you look at the dollars involved. I do not have them all in front of me but members will be aware of one of the two basic issues here, both of which I want to identify.

One issue, of course, is the pittance that Newfoundland receives for its resource compared to the many hundreds of millions of dollars which Hydro Quebec receives, first, for being the marketer, but also, we acknowledge, for having been an investor in the project at the time it was constructed back in the mid 1960s. I do not want to mislead the House but the figures are of the order of a few million dollars in the case of Newfoundland's annual receipts—I am talking $20 million, $30 million—and $800 million in the case of the annual receipts that accrue to the Quebec treasury through Hydro Quebec.

We have all agreed, irrespective of where we sit in this chamber, that that is an unconscionable deal. We are also aware of the nature of contractual obligations and we in Newfoundland and Labrador have done what we think is the decent thing, although it is hard to swallow at times. We have done what people in institutions do everywhere, we have honoured the contract, as unconscionable as it is.

For some time there has been another way to resolve a related issue. Why a related issue? Well, why would we in Newfoundland and Labrador ever get into another deal like that? We have the resources to do so. In Newfoundland and Labrador we have the headwaters of those five rivers which flow to the sea in southern Quebec.

For many years there have been proposals that the two provinces ought to collaborate in developing and marketing that power.

There is also the Muskrat Falls development in Newfoundland and Labrador which would be developed, but why should we repeat the Upper Churchill Falls fiasco? Why should we again get ourselves in a situation where we are the hewers of wood and the drawers of water, where we are the people receiving the welfare rates, the minimum wage as it were, when another province is getting the real benefit from our resource?

I ask you, is that what happened in the case of the western provinces when they wanted to move their gas to Ontario? No. They continue to receive full market value for their resource which moves across other provinces. We want to move our resource across a province, in this case the province of Quebec, but we have not been permitted to do so. The solution has been there for some time but it has not been acted upon.

If we go back to 1981–82, the then Government of Canada brought in amendments to the National Energy Board which would have given Newfoundland wheeling rights, that is to say it would have given it the prerogative, the authority, to build a transmission line across the province of Quebec. We all know that proposal, beyond being amended in terms of the act, never got to the implementation stage, and I think we all know why. At the same time, I think that if we are going to stand here in this chamber and talk about the desirability of facilitating freer movement of Canadian electricity into the United States market, we ought to put all our cards on the table. What we are talking about, in effect, is the free movement of some Canadian electricity and this bill does absolutely nothing except add to the insult. It does absolutely nothing to facilitate the movement of that rich resource called Labrador hydro power from Labrador to its markets in the populous northeastern United States. What would that do for the economic well-being of the province of Newfoundland? It would change over night from the so-called, have-not status to a have status.

I believe it was Joey Smallwood in his heyday who used to talk about the last remaining storehouse of wealth in North America in reference to Labrador. He was right. The irony is that we who own the storehouse do not really have the keys to it. We own the resource but we cannot unlock it to the benefit of our people in Newfoundland and Labrador. So it is difficult for me as a Newfoundlander to sit in this House when this bill is being discussed and not rise at least for a few moments to flag that terrible circumstance.

I would make one appeal again, the appeal that has been made many times, the appeal to fairness, the same principle that ensured that western gas would move to Ontario. I would appeal to consistency, the principle that surely dictates that if you do it in the case of gas from western Canada, you ought to do the parallel thing in relation to the movement of hydroelectricity in the case of Newfoundland.

I alluded to the reason. Let me be more specific. The reason is summed up in the little cliche "Might is right". It is summed up in the unspoken understanding that there are more votes in Quebec than there are in Newfoundland. That we understand. We only have to watch what is happening to the Unemployment Insurance Act, Canada Post, railway abandonment, to the decision on the CF-18, taking it from Manitoba and putting it into Quebec, to understand the reality of how decisions get made these days by this particular government.

• (1400)

I am not sure why I take the trouble on this one. I am not sure because I know full well that Newfoundland's circumstance in this important matter must be of no consequence at all to the purveyors of what must be the most right-wing Tory agenda ever inflicted on any country anywhere. Why would this crowd, including the member for St. John's West and the member for St. John's East, be bothered with details such as whether Newfoundland becomes a have province or continues to languish as a have-not province. Why should they be concerned with that kind of detail when they are so busy being the attendants at the garage sale of Canada to the Americans, be it in electricity or any other of our resources?

Why do I take the time, Mr. Speaker? Because, at the very least, those of us who are sent here to represent the interests of Newfoundlanders and Labradorans have an obligation to flag this issue at every opportunity. We have the obligation to call attention to the despicably punitive treatment which Newfoundland is receiving because of this deal—not only the Upper Churchill, I talk of that too—but I talk also about the continuing refusal to allow Newfoundland to market its resource by moving it across another province, even though that same thing has been done in so far as gas is concerned for western Canada.

Now, speaking clichés, it has been said many times that none is so deaf as he who will not hear and so blind as he who will not see. That is really what we are dealing with here. Last weekend the Prime Minister allowed that Canadians had bent over backwards to bring Newfoundland into Confederation back in 1949. We get that kind of disdainful, condescending attitude towards Newfoundland. We have a Prime Minister who has dispatched his minions to Newfoundland, as he has done today in the person of the Minister for International Trade, the member for St. John's West, to tell Newfoundlanders who are scarcely finding enough money to put bread and butter on the table—those who depend on the fishery either as plant workers or fishermen—

when and who are having trouble making ends meet that there is no problem in the fishery, that everything is hunky-dory, coming up roses. It is not difficult to understand why that same Prime Minister stands by and allows the present unconscionable situation as it affects Churchill Falls power and Labrador Power generally to continue.

I realize that my time has just about run out. I believe I have made the essential point that this bill, while it may well facilitate the export of electricity to the United States—and there are pros and cons there which we will be getting into by way of amendments in committee—has for Newfoundlanders another ominous implication. The insult will now become more graphic, more technical. It is the insult that says that if you live anywhere else in Canada, yes, you can move your products to the United States or wherever you want, but if you live in Newfoundland you are going to have to ask permission. Then, once you ask it, you are not going to get it, particularly if it relates to your richest resource, hydro power from Labrador. That is the shame of it. We will keep fighting that until somebody over there hears.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, if those of us who are here cared to look outside they would confirm that it is a rather dreary and slow moving Friday afternoon with the House virtually empty as members get ready to go to their constituencies and handle constituency duties over the weekend as well as spend time with their families for Thanksgiving.

I say that with recognition of the fact that those duties themselves are very important. I think it is does bring to light the interesting consequence or coincidence that this Bill is brought to the floor at this particular time of the day and this particular time of the week. It appears almost insignificant as it is brought up for debate. It is an insignificant appearing bill, and yet one that is extremely vital in defining and determining Canada's future and the future of Canada's resources. I would venture to say that the presentation of this bill to the House marks a turning point in the control of Canada's resource industry.

I think what we see in this bill is a clear and yet insidious attempt of this government to harmonize our energy policies with that of our neighbour to the south. Clearly, we are undoing some of the regulatory control that we have traditionally had over our resource industries, such as electricity in this case.

The purpose of this bill is very succinct. It is to facilitate the export of electrical power to the United States. Let's call a spade a spade. That is what it is here for.

I want to say that I agree with my colleagues who have spoken on this issue before, electricity is important as an energy commodity in Canada. It will become increasingly important within the next few years as we struggle to extract ourselves from an economy, a society that has relied on fossil fuels as a major energy source. Everyone here in the chamber and every person across Canada certainly knows the problems that not only Canada but the world is having in terms of emissions of carbon dioxide and global warming.

Electricity is a clean energy source, and because of that will become extremely important in the immediate future. Because it will become increasingly important to Canada as a major energy resource, it stands to reason that the subject of this Bill, that is, how we regulate that energy in the years to come, should also receive some very careful consideration.

For historical reasons there has been a considerable overlap between the provinces and the federal government in terms of the regulation of the electrical industry in Canada. From the outset, when our national energy program was established, the federal government held firmly to the very basic principle that all quantities of electricity to be exported must be surplus to our needs, both to the present needs and to the needs in the reasonably foreseeable future.

Even when the National Energy Board Act in 1959 extended the maximum export licence period for exports from one to 25 years in duration there was still the very clear expectation that our long-term energy export licences would be granted only in the exceptional circumstances that we did in fact have energy supplies surplus to our needs.

• (1410)

In light of the growing importance of electrical energy and the entry of Canada into the free trade agreement with the United States, there continues to be a very important role for regulation. It is important that Canadian consumers have a secure energy supply, not only in electrical power but in all sources of energy. It is important that Canadians have reasonable and equal access on a regional basis to those energy supplies.

It is important to regulate the industry to assist in the development of the regions of this country that are not so well off. We can use it as a regional development tool. I might add that in light of the free trade agreement the ability of Canada to utilize its energy resources for regional economic development incentives has been sadly diminished.

It is important to balance the interest of investors with over-all public interest. If the industry is not adequately regulated, then it is conceivable that electrical monopolies which are shielded from competition could in fact gouge their customers. It is conceivable that a group of investors or, indeed, even a province, could push through a profitable electrical enterprise that in fact would harm environmentally surrounding areas such as coal-generated electrical power.

It is conceivable that short-sighted decisions taken today could cause future generations to pay more for their power than would have been the case if proper regulatory controls were implemented and adhered to. I think that regulation of these exports is clearly essential if the interests of Canadians are to be protected adequately.

I want to go back to the main thrust of the bill, because this bill is very clear in its intent. It is to make the export of electrical energy from Canada easier. We all know where our major customer for that export lies. This bill is to streamline the process. This bill is to harmonize with our U.S. neighbour the process of free trade in electrical energy.

I firmly believe this bill is a pay-off of the Prime Minister to the premier for his support in the election on that free trade agreement. It is a political pay-off.

I know that our U.S. customers have for some time complained about the means that we have of protecting our national interests. They have been trying to get hold of our energy resources for some time. The free trade agreement has finally given them that handle. They have found in the past with the National Energy Board our process of public hearings, of ensuring that there is full debate on whether exports are granted, is burdensome. They do not want to deal with all those details. It is too inconvenient.

Some people have even suggested that the existing process is, in fact, a duplication of efforts. We are not convinced of that on this side of the House. I believe that my colleagues and I are unconvinced that the current process needs to be changed as radically as this legislation intends.

I am concerned also that the changes that are proposed in this bill could undermine the protection that the existing legislation provides the Canadian public in the future, particularly in light of the fact that we are now in a post free trade environment.

I am concerned that this bill could mean that the consumers in the United States could enjoy a substantial benefit at our expense.

When the Reagan administration was negotiating the free trade deal with Canada, its officials, after securing the provisions in the chapter concerning energy, were bold enough to declare that the energy section in the free trade agreement was a major prize in the bilateral trade agreement. The continental market established by the free trade agreement in energy covers almost every kind of energy product: oil, natural gas, coal, as well as electricity.

The accord has now been ratified. That reality came down upon us at the beginning of the year. As a result of that agreement we have now lost the right to use minimum export prices. We have lost the right to tax on exports or to influence export quotas as instruments of national energy policy.

I want to add that the interpreters for the government, when they were involved in the free trade negotiations, said that Canada has no obligation to supply energy to the United States, no obligation whatsoever. But, in fact, when we look at it, the claim is a shoddy play on words.

When we investigate it in detail we see that the deal concedes to the private energy corporations operating in Canada—and I must add including U.S. subsidiaries

operating in Canada—the right to sell in the United States as much or as little of our non-renewable resources, including electricity, as they choose. Canadian governments, both federal and provincial, are going to have little or no control over this process.

I want to refer directly to the Canada-U.S. Free Trade Agreement and specifically to the chapter on energy, Chapter 9. The articles within that chapter give to our U.S. counterparts access to our resources and proportional sharing of our resources. That is to say, once we have established an export market in electricity, for example, and if we were to undergo a shortage in Canada, we could not cut back on that commodity export to the United States unless we cut back the equivalent amount to our own domestic customers. It gives them equal access to a resource that is going to be critically important in Canada's future.

It goes on to say in Article 907 that neither party, neither the U.S. nor Canada, shall maintain or introduce a measure restricting imports of energy goods from or any exports of an energy good to the other party. We cannot restrict access once that access is granted. In times of shortage, in times of crisis, we cannot cut back on those export supplies unless we in fact cut back even to our own customers.

I maintain and reiterate that this piece of legislation, as innocent as it looks, is the legislative process by which we are moving in to free trade in our energy resources with the United States. As innocent as this piece of legislation is, I maintain it is extremely vital to Canada's future and in the ability of we as a nation to maintain some degree of control over these resource commodities in the future. Once we lose control of our energy resources, we lose control of our economy. That is why this bill is so critically important.

Electricity is a strategic commodity. The United States knows that. The free trade agreement had nothing to do with reduction of tariff barriers, although that is included in it. What the United States wanted out of the free trade agreement and got was clear access to Canada's non-renewable resources. We all know darn well that south of the border the Americans are running short on their resources, their energy supplies, their water. They now have to import oil supplies. They have an energy wasteful economy. Now they have an energy short economy. They are turning to Canada, to our waters, to our subterranean fossil fuels. They are turning to Canada as a resource haven to continue their mindless process of industrial and economic expansion.

• (1420)

That is why this piece of legislation is so vital to debate. If we let it go through we will in fact be relinquishing control of a very vital resource, and that is our energy supplies.

Based upon that argument I think it is no surprise that my colleagues and I will certainly not be supporting this legislation.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I have a question for my colleague, the member for Okanagan—Shuswap, who in a previous incarnation was a member of the British Columbia legislature for an area which is now within my federal riding of Kootenay West—Revelstoke, particularly representing the communities of Burton, Fauquier and Edgewood, and what used to be the community of Arrow Park. He has shown by his remarks that he fully understands the apprehension, even the fear, of many people in the West Kootenay Basin and the Columbia River Valley of any measure such is now before us which tends to weaken the potential power of the public to have some say in what happens to our electrical energy resources and the water resources that are connected to them.

He will also be fully aware of the massive rejection of the free trade agreement that took place in his area and in ours, where in elections from 1974 through 1979, through 1980 and 1984, margins were some 700 votes no matter whether they were in favour of myself of the New Democratic Party or of Mr. Brisco of the Conservative Party.

In this last election it was up around the 4,000 figure. The reason for that was that in many parts of his constituency, as in mine, we were once before in Canadian history the guinea pigs for a continental energy policy when the Columbia River Treaty was shoved down our throats even with public hearings. We lost our communities. We lost some of the best farm land and some of the best forest land in the province of British Columbia.

It is because of that experience and that fear that we so massively rejected what we thought was at the heart of the free trade agreement espoused by the government.

My colleague said that we in the New Democratic Party would be voting against Bill C-23 because it weakens the potential power of the public to have a say as to what happens to them, their communities, their water, and their power. Even if we did not see that clearly ourselves, it would be impossible for us not to listen to the ghosts of the people who are buried under the waters of the Arrow Lakes and the Columbia River and in the communities of Burton and Arrow Park.

They paid the price, even in their burial places, of having that continental energy policy thrust down their throats. We are suspicious, and we have good reason. The government can only say: "Well, trust us, trust the bureaucracies, trust the power utilities, trust B.C. Hydro, trust all the other power corporations, be they public or private across the country, and trust the governments, our provincial governments and our federal government. We do not need to have public hearings. We will leave that up to the politicians and the bureaucrats to decide".

On the basis of our experience, our predecessors' experience and his own experience can he have that kind of trust in any government, especially considering that it was a Conservative government that negotiated and a Liberal government that implemented the treaty which hurt our communities and our people in the past?

Mr. MacWilliam: To answer the question specifically with regard to trust, I think that to a large measure I speak for my constituents in general when I say that there is a great distrust of the actions of this government with regard to entering into the free trade agreement and the sell-out of our energy and non-renewable resources.

My colleague's recollection of the arguments presented during the election on the free trade agreement as it applies to energy is very accurate. People are very concerned about it, and are still so. The fact is that we have seen the ravages of the effects of damming and the erasing of thousands of hectares of viable agricultural land, and changing the entire lifestyle of communities throughout a whole valley. I speak specifically of the damming of the Columbia River when the Columbia River Power Treaty was initiated. We have seen what can happen to the economies. We have seen what can happen to the lifestyle in a valley when that happens. We are concerned about it. There is a great deal of distrust of both federal and provincial actions.

We know, for example, that the Columbia River Power Treaty is coming up for renegotiation in 1992. It is very likely to expect that our American friends to the south will not want less water over the spillways. They probably will want more. For an area such as the Okanagan—Shuswap that is traditionally semi-arid because it is water-short, that poses some very serious problems for us. People are very much afraid that once you turn the taps on, you never turn them off. This brings to mind another plan that was dreamed up by our friends in the United States. I do not know what they think of us up here but they had the gall to dream up the NAWAPA plan, the North America Water and Power Alliance.

It is a simple little idea. You take British Columbia, you damn the south end of the Rocky Mountain trench, you flood the whole rest of the Rocky Mountain trench right up into the Yukon and use it as a massive reservoir to feed the Coke machines down in Los Angeles and San Diego. "It is a massive water and energy reservoir". It is arrogance to suggest that British Columbians or Canadians would allow that kind of thing to happen, flooding thousands and thousands of acres of British Columbia to serve as a reservoir for the southwestern U.S. power grid. That plan is still being talked about within the lobby groups that have the ear of the minister of energy.

Look at who negotiated our free trade agreement. Mr. Reisman was the grand designer of the grand canal scheme. It was a simple little plan to take James Bay and dump it into the Mississippi system.

We know what Mr. Reisman said about the water resources in Canada. He said this would be the carrot with which to negotiate the free trade agreement with the United States, and he used it as the carrot. The United States, as is a reasonable response, rubbed its hands in glee. It snatched the carrot, signed the deal, and now we are getting prepared for it to walk away with our energy supplies.

Mr. Deputy Speaker: The hon. member for Nepean on a question or comment.

Mrs. Gaffney: First I would like to compliment my colleague from the NDP party on a powerful, emotional speech.

Some Hon. Members: Hear, hear!

Mrs. Gaffney: This is a very quick question because I know people are anxious to get home, but if a province decides it wants to export electricity into the U.S., what means or what mechanism will be in place that will allow Canadians to receive full disclosure of the actual export? Do you think that that is going to be covered in this bill?

Mr. MacWilliam: I think the member brings up a very perceptive question. What kind of access, what kind of process of disclosure is allowable under this particular piece of legislation? In looking at the details of this legislation, I would say that we have a considerable lessening of the ability of common taxpayers to investigate what the ramifications of an energy export provision are because through this bill they want to eliminate a lot of the process of public discussion and public disclosure. In response to a very important question that that process for public discussion with regard to the irrevocable sale of an energy resource has, in fact, been shut off. The people will have less chance to debate those issues.

• (1430)

That is precisely why the people in British Columbia and the people across Canada do not trust this type of legislation.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to, bill read the second time and referred to a legislative committee.

Mr. Deputy Speaker: Is there unanimous consent that I call it 3 o'clock? The honourable parliamentary secretary.

Mr. Cooper: May I, on behalf of the government, say that we have no intention of introducing any further legislation. We are quite happy to call it 3 o'clock.

We would like to wish all our colleagues in the House a very happy and good Thanksgiving.

Mr. Deputy Speaker: The hon. Member for Kamloops on the same point.

Mr. Riis: Mr. Speaker, I want to say that we appreciate the generous comments offered by the parliamentary secretary.

Was it recorded in terms of the actual vote that it was passing on division?

Mr. Deputy Speaker: Yes.

[*Translation*]

Mr. Deputy Speaker: It being three o'clock, pursuant to Standing Order 28(1), the House stands adjourned until Tuesday, October 10, 1989 at 11 a.m.

The House adjourned at 2.32 p.m.

HOUSE OF COMMONS

Tuesday, October 10, 1989

The House met at 11 a.m.

Prayers

[*English*]

PRIVILEGE

CONTENTS OF NEWSPAPER ADVERTISEMENT—SPEAKER'S RULING

Mr. Speaker: I am now ready to rule on the question of privilege which was raised on September 25 by the Right Hon. Leader of the Opposition concerning the government advertisements which appeared in newspapers on August 26 relating to the proposed goods and services tax.

From the very outset, I wish to state emphatically that the Chair has no intention of dealing with the relative merits or limitations of the proposed tax; the Chair has absolutely no role to play in such political matters. The Chair's sole responsibility in this instance is to determine whether the matter raised by the Leader of the Opposition warrants setting aside the regular business of the House.

Citation 84(2) of *Beauchesne's Rules and Forms of the House of Commons,* fifth edition states:

> It has often been laid down that the Speaker's function in ruling on a claim of breach of privilege is limited to deciding the formal question, whether the case conforms with the conditions which alone entitle it to take precedence over the notices of motions and Orders of the Day standing on the Order Paper; and does not extend to deciding the question of substance, whether a breach of privilege has in fact been committed—a question which can only be decided by the House itself.

[*Translation*]

I want to again stress that the Speaker does not rule on whether a breach of privilege or a contempt has in fact been committed. The Speaker only determines whether an application based on a claim of contempt or breach of privilege is, on first impression, of sufficient importance to set aside the regular business of the House and go forward for a decision by the House. That is the narrow point that the Chair must decide.

[*English*]

It might be appropriate to first review some of the facts surrounding the present case. On August 26, 1989, the Department of Finance published in newspapers across the country an advertisement which stated:

> On January 1, 1991, Canada's Federal Sales Tax System will change. Please save this notice. It explains the changes and the reasons for them.

I point out that this ad was a full-page ad and the letters were very large indeed.

Let me repeat the wording of the advertisement in French.

> *Le 1er janvier 1991, le régime de la taxe fédérale de vente connaîtra des modifications. Veuillez conserver cet avis. Il explique les modifications apportées et les raisons qui y président.*

I should point out that in French, then, the ad went perhaps even farther than what was implied in the English.

The advertisement went on to explain that the goods and services tax "will replace the existing federal sales tax" and it outlined very specific proposed changes. It is true that in the ad some of those changes were set out under the heading "Proposed Changes".

In the interventions on September 25, the Hon. Member for Parkdale—High Park pointed out that these ads also appeared in many ethnocultural newspapers across Canada. At the invitation of the hon. member I examined a number of the newspapers in question, and found that most of these advertisements were published in early September, and that some of them were printed in Italian and Lithuanian.

• (1110)

The Hon. Member for Ottawa—Vanier, in his intervention, laid stress on the fact that, in the French text, the wording of the advertisement suggests that the changes have already been made or adopted in so much

that the ad uses a "*participe passé*" namely the word "*adoptés*".

In presenting his case for a breach of privilege, the Leader of the Opposition dealt with a number of serious issues. If I may be permitted to summarize his arguments, he makes two basic claims: first, that the advertisement prejudices the future proceedings of the House and of the finance committee which has undertaken an examination of a technical paper on the subject; and second, that the advertisement is a contempt of Parliament because it leaves readers to infer that the House has no role in the passage of the tax, thus misleading the Canadian public concerning the procedures employed by Parliament in adopting such legislation. To quote from the right hon. member at pages 3809–10 of *Hansard*:

> The wording "Please Save This Notice", followed by chapter and verse of the alleged tax changes, constitutes a basis for a question of privilege.

At least this is the argument of the Right Hon. Leader of the Opposition. He continued:

> Those words "Please Save This Notice" constitute a contempt of Parliament, constitute an intimidation of Parliament, because the only inference to be drawn from the words "Please Save This Notice" is that it does not matter what members of Parliament do in dealing with these taxes. It does not matter what the committee on finance does with respect these taxes.

He goes on to argue:

> These advertisements violate our parliamentary tradition in two more ways. They prejudice the proceedings that are now before the Standing Committee on Finance as well as prejudicing future proceedings of the House itself.

The hon. member for Oshawa and Leader of the New Democratic Party spoke in support of the claims made by the Leader of the Opposition. In addition, he raised the issue of the propriety of a government using public funds to advertise its position on a debate which has yet to be held in Parliament. On this specific point, I would like to immediately refer to the ruling of Speaker Sauvé on October 17, 1980, at page 3781 of *Hansard* and I quote:

[*Translation*]

> "The fact that certain members feel they are disadvantaged by not having the same funds to advertise as does the government, which could possibly be a point of debate, as a matter of impropriety or under any other heading, does not constitute a prima facie case of privilege—"

I feel, just as Speaker Sauvé concluded, that this is an important issue which merits consideration, but it should not take place under the aegis of privilege.

[*English*]

To continue with the arguments presented to the Chair on the question of privilege, the Minister of Justice rose to make three basic points for rejecting this application as a breach of privilege or contempt of the House. He referred to the fact that the finance committee itself unanimously recommended that if the government were to proceed with the value-added tax it should publicize the details of that tax. He also explained that in the budget which was approved by the House, the government had indicated that the goods and services tax would be implemented on January 1, 1991. Finally, since the committee is presently studying the issue, he suggested that no case can be made for the claim that the committee's work is being impeded.

The Chair has also considered the arguments made by the hon. member for Windsor West, the hon. member for Kamloops and the hon. member for Peace River, and I would like to thank them for their interventions in this serious matter.

[*Translation*]

In the present case, the Chair must address a number of issues. I intend to first deal with the issue of whether or not there has been a breach of privilege insofar as the advertisement prejudices the work of the House or the Committee. I will then deal with the claim that the advertisement is a contempt of Parliament because it infers that the House does not have any role to play in the passage of the tax, and that it misrepresents to the Canadian public the procedures employed by Parliament in adopting legislation.

[*English*]

Before proceeding with the first issue, the Chair feels it might be useful to offer members a short explanation of the difference between what constitutes a contempt of the House and what constitutes a breach of privilege.

The privileges extended to members individually and to the House as a collectivity are finite. They are generally categorized under five headings which are: freedom of speech, freedom from arrest in civil actions, exemptions from jury duty, exemption from attendance

as a witness, and freedom from molestation. As Erskine May explains on pages 70 and 71 of the twentieth edition:

> The distinctive mark of a privilege is its ancillary character. The privileges of Parliament are rights which are "absolutely necessary for the due execution of its powers". They are enjoyed by individual Members, because the House cannot perform its functions without unimpeded use of the services of its Members; and by each House for the protection of its Members and the vindication of its own authority and dignity.

As a result, when members claim that a certain action constitutes a breach of privilege, they must specify which privilege is affected.

Contempts, on the other hand, cannot be enumerated or categorized. As Speaker Sauvé explained in a ruling on October 29, 1980, at page 4214 of *Hansard*:

> —while our privileges are defined, contempt of the House has no limits. When new ways are found to interfere with our proceedings, so too will the House, in appropriate cases, be able to find that a contempt of the House has occurred.

Broadly speaking, contempts are offences against the authority or the dignity of the House of Commons. They include situations which cannot specifically be claimed as breaches of the privileges of the House. As noted at pages 71 and 143 of Erskine May's twentieth edition:

> Each House also claims the right to punish actions, which, while not breaches of any specific privilege, are offences against its authority or dignity, such as disobedience to its legitimate commands or libels upon itself, its officers or its Members. Such actions, though often called "breaches of privilege", are more properly distinguished as "contempts".

It goes on:

> It would be vain to attempt an enumeration of every act which might be construed into a contempt, the power to punish for contempt being in its nature discretionary—. It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any Member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, produce such results may be treated as a contempt even though there is no precedent of the offence.

As already mentioned, it is not possible to categorize or to delineate what may fall under the definition of a contempt. It is not even possible to categorize the "severity" of a contempt. As a procedural authority on the Lok Sabha of India, that is the Indian Parliament, explains in *Practice and Procedure of Parliament* at page 209:

> Contempts of Parliament may, however, vary greatly in their nature and their gravity. At one extreme they may consist in little more than vulgar and irresponsible abuse; at the other they may constitute grave attacks undermining the very institution of Parliament itself.

In summary, all breaches of privileges are contempts of the House, but not all contempts are necessarily breaches of privilege. A contempt may be an act or an omission; it does not have to actually obstruct or impede the House or a member, it merely has to have the tendency to produce such results. Matters ranging from minor breaches of decorum to grave attacks against the authority of Parliament may be considered as contempts.

[*Translation*]

In the present case, the Leader of the Opposition (Mr. Turner) contends that the advertisement by the Department of Finance prejudices the future proceedings of the House and the Finance Committee.

The Chair must determine which of the specific privileges of the House have been breached.

[*English*]

Certainly, freedom of speech has not been affected. The committee is continuing its deliberations and the House will no doubt be debating the several issues surrounding the proposed goods and services tax, either through Question Period or on the report of the finance committee which will be presented to the House no later than November 28, 1989. The House will also have the opportunity to debate any bills that the government may propose to the House and will also have an opportunity to vote on any Ways and Means motions, which necessarily precede the introduction of any such bills. The opportunity for debate and amendment are too numerous to list. Suffice it to say that those opportunities have not been diminished.

• (1120)

[*Translation*]

Now, has the House or have any Members been obstructed in the performance of their duties? In order for an obstruction to take place, there would have had to be some action which prevented the House or Members from attending to their duties, or which cast such serious

reflections on a Member that he or she was not able to fulfill his or her responsibilities. I would submit that this is not the case in the present situation.

I would also like to point out that the House and its committees do not work in a vacuum. Members are constantly aware of outside factors and pressures. Since no threats or bribes have been made, it is difficult to see how the work of the House or the Finance Committee has been prejudiced or which specific privilege has been breached.

On this issue, I cannot find that any privilege has been breached.

[*English*]

In the present case, does the advertisement of the Department of Finance amount to a contempt of the House of Commons? The right hon. Leader of the Opposition argues that the advertisement in question is misleading in that it gives the general public the impression that this proposed change to the taxation system is a *fait accompli* and that Parliament has no role to play in examining and approving the changes. The effect of this may tend to diminish the authority of the House in the eyes of the public.

In reply, the Minister of Justice stated and I quote from page 3821 of *Hansard*, and this was the argument of the Minister of Justice:

> The ads were for proposed changes. They were for informational purposes. In fact they have done their job and we have hundreds and thousands of requests for information. We are trying to inform the people.

The justice minister explains that it was never the government's intention to suggest that legislation would not be submitted to Parliament for debate. During Question Period on September 25, the Minister of Finance also stated that the purpose of the ad was to inform, and in keeping with other documents of the spring budget.

Should the Chair accept the government's explanation and rule that no deliberate contempt was made? At this point it may be useful to quote from a Canadian authority on privilege. As Joseph Maingot explains at page 213 of *Parliamentary Privilege in Canada*:

> There are actions which, while not directly—obstructing the House of Commons or the member, nevertheless obstruct the House in the performance of its functions by diminishing the respect due it. As in the case of a court of law, the House of Commons is entitled to the utmost respect—.

Does the advertisement diminish the respect due to the House? The hon. member for Windsor West put forward the following argument at page 3823 of *Hansard*:

> When this advertisement—says in effect there will be a new tax on January 1, 1991,—the advertisement is intended to convey the idea that Parliament has acted on it because that is, I am sure, the ordinary understanding of Canadians about how a tax like this is finally adopted and comes into effect. That being the case, it is clearly a contempt of Parliament because it amounts to a misrepresentation of the role of this House.

[*Translation*]

The Chair is in a quandary. The arguments on both sides of the question are very strong. To add to the Chair's difficulties, procedural authorities also point out that precedents cannot be relied upon to determine if a contempt exists. In contrast, the Chair can more easily determine when a privilege has been breached because the categories are finite and rulings can be based on precedents and authorities. This case is certainly unique. Analogies can be made to the decision rendered by Speaker Sauvé on October 17, 1980, but at that time the issue centred on the propriety of the government to advertise in advance of a debate taking place in the House. The issue was not whether the dignity of the House had been affected.

Under these conditions, the Chair feels it must exercise extreme caution against unduly restricting the authority of the House to deal with a perceived contempt, especially given the arguments which have been presented.

[*English*]

I must confess that I have certain doubts regarding this case. Normally in cases of doubt, it has been the practice for Speakers to allow an appropriate motion to go forward for a decision of the House. To this effect, I would like to read from a ruling of Speaker Jerome, found at page 3975 of *Hansard* for March 21, 1978, where he quotes from a report of the United Kingdom Select Committee on Parliamentary Privileges.

> —it might be inferred that the test applied by the Speaker in deciding whether to give precedence over the orders of the day to a complaint of breach of privilege—is, Does the act complained of appear to me at first sight to be a breach of privilege? Rigorously applied, it would mean that no complaint of breach of privilege could ever be entertained unless the Speaker was of opinion that the act or conduct complained of was a breach of privilege—.

> Borderline cases and arguable ones would be excluded automatically because in such cases the Speaker could not say that he was of opinion that the act or conduct which was the subject of complaint *prima facie* constituted a breach of privilege.
>
> In my submission the question which the Speaker should ask himself—should be—has the Member an arguable point? If the Speaker feels any doubt on the question, he should—leave it to the House.

That is a quote in a judgment by Speaker Jerome citing, I should make it clear, the United Kingdom Select Committee on Parliamentary Privileges.

In order to clarify my thoughts on the issue of *prima facie* and to dispel the doubts that I have referred to, the Chair has pondered the intent of the offending advertisement as compared to its contents. I can express my own opinion that the content was obviously drafted in a cavalier manner; there is an element of confidence, if not of boldness, in the use of a phrase as definitive as "save this ad".

The Ministers of Justice and of Finance have said to the House that the intent of the ad was to inform Canadians. Members are well aware of our practice of accepting the word of an hon. member of the House. In accepting the ministers' explanations, the question of intent is answered and accordingly some of the Chair's doubts are also dispelled. The intent of the ad was not to diminish the dignity of the House. It is difficult to find *prima facie* contempt.

However, I want the House to understand very clearly that if your Speaker ever has to consider a situation like this again, the Chair will not be as generous. This is a case which, in my opinion, should never recur. I expect the Department of Finance and other departments to study this ruling carefully and remind everyone within the Public Service that we are a parliamentary democracy, not a so-called executive democracy, nor a so-called administrative democracy.

Some Hon. Members: Hear, hear!

Mr. Speaker: In order that all hon. members know exactly what the procedure is, and in order that members of the public who are watching and listening understand clearly what the procedure is, let me return to what I said before, that if I had decided that this matter ought to go to the House, it would be followed, or could be followed, by a debate and a vote.

I believe it is in the interest of our parliamentary system of government to have a clear statement from the Speaker which cannot be misinterpreted either in debate or by a vote. A vote on this issue might not support the very important message which your Speaker wishes to convey and which I hope will be well considered in the future by governments, departmental officials and advertisement agencies retained by them. This advertisement may not be a contempt of the House in the narrow confines of a procedural definition, but it is, in my opinion, ill-conceived and it does a great disservice to the great traditions of this place. If we do not preserve these great traditions, our freedoms are at peril and our conventions become a mockery. I insist, and I believe I am supported by the majority of moderate and responsible members on both sides of the House, that this ad is objectionable and should never be repeated.

• (1130)

I have deliberately made this ruling with great care in order that if ever this issue has to be debated and considered by this House again these comments will serve to guide the House in its deliberations.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL

TABLING OF APPOINTMENTS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government pursuant to the provisions of Standing Order 110(1). These have been referred to the appropriate standing committees, a list of which is attached.

* * *

COMMITTEES OF THE HOUSE

BILL C-21—REPORT OF LEGISLATIVE COMMITTEE

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, on behalf of the chairman I have honour to present the report of the legislative committee on Bill C-21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Com-

mission Act, in both official languages, with amendments.

PUBLIC ACCOUNTS—SECOND REPORT OF STANDING COMMITTEE

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Public Accounts.

In this report the public accounts committee addresses the need to attain an unqualified audit opinion on the audited financial statements of the Government of Canada.

For a number of years now the Auditor General, who audits the accounts of the government, has been expressing several reservations in his audit opinion on the government's financial statement. For the issues associated with two of these reservations considerable progress has been made in the accounting profession and in the government departments responsible for the preparation of the accounts of the financial statements of Canada.

These reservations concern first the consolidation of Crown corporations in the government's accounts and second the accounting for employee pension liabilities.

Consequently the public accounts committee has recommended that the government act to remove audit reservations from its financial statements by announcing the appropriate accounting policy changes in the next budget of the Minister of Finance for implementation in the 1989–1990 Public Accounts of Canada.

[*Editor's Note: See today's Votes and Proceedings.*[

* * *

CRIMINAL CODE

MEASURE TO AMEND

Hon. Ralph Ferguson (Lambton—Middlesex) moved for leave to introduce Bill C-266, an act to amend the Criminal Code (offences against the foetus).

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the bill?

Some Hon. Members: Agreed.

Mr. Ferguson: Mr. Speaker, I present this bill today because I believe in the sanctity of human life and the rights of the unborn. We already recognize the current lack of effective legislation on this matter at the present time. I trust this bill will fulfil the needs and protect the rights of the unborn.

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

* * *

MAIN ESTIMATES

TRANSPORT VOTES

Right Hon. John N. Turner (Leader of the Opposition) moved:

> That, pursuant to Standing Order 81(4)(A) and Orders made Tuesday, April 4 and Tuesday, June 27, 1989, consideration of Transport Votes 1, 5, 10, 11, 15, 16, 20, 25, 30, 35, 40, 45, L50, 55, 60, 65, 70 and 75 of the Main Estimates for the year ending March 31, 1990, by the Standing Committee on Transport be extended beyond October 11, 1989.

Mr. Speaker: Pursuant to Standing Order 81(4)(A) and Orders made Tuesday, April 4 and Tuesday, June 27, 1989, the motion is deemed adopted.

* * *

PETITIONS

PROPOSED GOODS AND SERVICES TAX

Hon. Herb Gray (Windsor West): Mr. Speaker, I have the honour to present pursuant to Standing Order 36 a petition which has been certified correct as to form and content. This is another of a very large number of petitions in which in this case citizens of Windsor, Ontario humbly pray and call upon Parliament to reject the government's proposed goods and services tax.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have two petitions, one in French and one in English, in which your petitioners humbly pray and call upon Parliament to reject the new goods and services tax because it is regressive, because it will increase inflation, because it will mean considerable hardship for low and middle income families and because it will raise interest rates and increase unemployment. The Government's proposal to make all Canadians pay a sales tax on goods and services is wrong, and these people say so in no uncertain words!

[*English*]

Mr. Sergio Marchi (York West): Mr. Speaker, I have the honour to present a petition collected in my riding of York West by Mr. and Mrs. Manzo. They have gone around to various neighbourhoods in York West and have filed a petition solidly in support of the opposition's request that the goods and services tax be withdrawn from this House of Commons.

The petitioners in fact quote that there have been some 31 new taxes or tax increases since 1984 and that this tax will only build on that regressivity and make life very difficult, particularly for working middle class families in the riding.

I also have two further petitions that in essence are asking for the very same objective, namely, to withdraw this goods and services tax. It is signed by petitioners living in the great city of Windsor.

Mr. George Proud (Hillsborough): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present three petitions on behalf of many Canadians who ask that Parliament do reject the proposed goods and services tax.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition duly certified by the clerk. It is signed by Canadians who are very concerned about the tax represented by the government's goods and services tax. They are concerned about a number of promises that have been broken and, in particular, they are terribly concerned about where this tax is going to go. It is starting at 9 per cent and we are not really sure where it will end.

These petitioners humbly pray and call upon Parliament to reject the proposed goods and services tax.

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have the honour and privilege to table a petition that has been signed by 26 residents of the community of Atikokan, certified correct as to form and content by the clerk of petitions.

These petitioners are from a community that lost its passenger rail service over 10 years ago. They are expresssing their concern about the closure of the rest of the system throughout northwestern Ontario in particular.

The undersigned call upon Parliament to maintain VIA Rail, Canada's present national network, to upgrade VIA Rail with new equipment and to give VIA Rail a sufficient budget to maintain its national mandate for passenger services.

PROPOSED GOODS AND SERVICES TAX

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, pursuant to Standing Order 36 I too have the privilege and honour to present a petition relating to the government's goods and services tax. It has been certified correct as to form and content by the clerk.

• (1140)

In their petition this group of Canadians points out that this government in the past five years has increased taxes not less than 31 times and that the GST would prove to be an unfair hardship on low and middle income Canadians.

The petitioners humbly pray and call upon Parliament to reject the proposed goods and services and tax.

VIA RAIL

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, pursuant to Standing Order 36 I am honoured to present a petition on behalf of a number of Canadians who are calling upon the government to reconsider its decision to curtail VIA services in certain parts of Canada and to dismantle it in others.

The petitioners are asking Parliament to maintain, improve and modernize VIA Rail in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation.

TAXATION REFORM

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, pursuant to Standing Order 36 and certified correct by the clerk, I have a petition signed by 31 people from Maple Ridge in my riding of Mission—Coquitlam who are not only calling on the government to reject the current proposed goods and services tax but are asking that a reform in the taxation system be introduced so that there is an effective minimum tax on wealthy individuals and corporations and to ensure that if and when there is broad public consensus on a sales tax

measure to replace the manufacturers' sales tax this reform not be an opportunity for the government to impose a massive tax grab.

PROPOSED GOODS AND SERVICES TAX

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the privilege and responsibility under Standing Order 36 to present a petition signed by many residents of Mission, British Columbia.

These Canadians from Mission, British Columbia, point out that the proposed goods and services tax is a regressive tax and that it lacks and does not show regard for taxpayers' ability to pay, and that in fact the government is now trying to tax reading, haircuts, diapers, coffins and home heating fuels.

The petitioners therefore call upon Parliament to reject the current proposal for a goods and services tax.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, it is a great pleasure for me to stand up pursuant to Standing Order 36 to present this petition from people in the lower mainland of British Columbia who are opposed to the government's intention to introduce a goods and services tax.

The petitioners point out that the present tax system has not been fully utilized in taxing those who are well able to pay—the wealthier and the corporations within our society. While the present tax is regressive enough they point out that the goods and services tax is going to be even more regressive and are asking the government to reconsider its intention to introduce it.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I too have the honour and privilege to present petitions properly certified and signed by the proper number of people from my adopted city of Windsor who petition the House, through their signatures, to do away with the goods and services tax.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the honour to present a petition duly certified in accordance with Standing Order 36. It is signed by a number of residents of the city of Windsor.

The petitioners are opposed, as indicated in this petition, to the unfair and vicious goods and services tax that has been proposed by this heartless government. They call upon Parliament to reject the tax.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure to present a petition, pursuant to Standing Order 36, from a number of people from Coquitlam, Maple Ridge, Burnaby, Pitt Meadows and Port Moody, British Columbia, who are pointing out that while 60,000 profitable corporations pay no income tax it seems unfair that people now will be required to pay tax on their reading, diapers, haircuts, home heating fuels and the like.

The petitioners are asking the government to back off from its decision to proceed with the national sales tax.

VIA RAIL

Mr. Nelson A. Riis (Kamloops): On a different matter, Mr. Speaker, I present a petition on behalf of a number of western Canadians who point out the fact that passenger rail service is an environmentally sound way to transport Canadians. They ask the Government of Canada once again to back off from its decision to curtail VIA Rail service throughout most of Canada.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all the questions be allowed to stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-20, an act to amend the Excise Tax Act and the Excise Act, as reported (without amendment) from a legislative committee.

Mr. Speaker: It is now my duty to make a ruling with respect to a number of amendments that were filed late Friday afternoon.

[*Translation*]

There are eighteen (18) motions in amendment set down on the *Notice Paper* for the report stage of Bill

C–20, an Act to amend the Excise Tax Act and the Excise Act. I have had an opportunity to examine them.

[*English*]

Motions Nos. 2, 3, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16 and 18 standing in the name of the hon. member for Calgary Northeast each seek to delete a separate clause of the bill. The cumulative effect of these motions would be that the House would proceed through another second reading debate with the possibility, of course, that the bill could ultimately be defeated by having all of its clauses deleted. The Chair has strong reservations about this manner of proceeding on the bill at this stage.

I will be guided by the decision of Mr. Speaker Francis concerning the report stage of Bill C–9, the Canadian Security Intelligence Service Act, which can be found in the *Debates* at pages 4559–4566 on June 12, 1984 and again at pages 4680–4683 on June 14, 1984. Therefore the grouping of all the deleting motions will follow the guidance found in that ruling.

[*Translation*]

I have misgivings with respect to motion numbered 1 standing in the name of the Hon. Member for Yukon (Ms. McLaughlin). According to Citation 524 of Beauchesne's Parliamentary Rules and Forms, Fifth Edition, on page 176:

[*English*]

> The motion by which a tax is proposed in the House is now treated as an effective expression of the financial initiative of the Crown, and therefore, as the standard in relation to which the admissibility of amendments is determined. Accordingly, an amendment is debarred, not only from increasing the rate of a tax, but also from extending its incidence to new classes, even while proposing to relieve other classes of payers.

However, Erskine May's *Parliamentary Practice* on page 839 states that amendments must not exceed the scope, increase the amount or extend the incidence of any charge upon the people defined by the terms of Ways and Means resolutions by which the provisions propose to be amended are authorized.

Having studied the amendment I am of the view that the hon. member is limiting the scope of the tax by providing for an exemption for northern residents. Therefore it will be grouped for debate with Motion No. 2, which is also in order.

[*Translation*]

An affirmative vote on motion numbered 1 obviates the necessity of a vote on motion numbered 2. However, a negative vote on motion numbered 1, necessitates a vote on motion numbered 2.

[*English*]

Motions Nos. 3, 6, 7, 8, 9, 12, 13, 14, 15 and 16 standing in the name of the hon. member for Calgary Northeast will be grouped together for debate. A vote on Motion No. 3 will be applied to all of the other motions in the group that I have just listed.

[*Translation*]

Motions numbered 4 and 5 standing in the names of the Hon. Members for the Yukon (Ms. McLaughlin) and for Calgary Northeast (Mr. Kindy) respectively will be grouped together for debate but voted on separately.

[*English*]

Motions Nos. 10 and 11 standing in the names of the same hon. members will be grouped for debate and voted on as follows: an affirmative vote on Motion No. 10 will obviate the need for a vote on Motion No. 11. However a negative vote on Motion No. 10 will require a vote on Motion No. 11.

• (1150)

Motions Nos. 17 and 18 standing in the names of the same two hon. members will be grouped for debate. If there is an affirmative vote on Motion No. 17, no question on Motion No. 18 will be put to the House. However a negative vote on Motion No. 17 will require that the question be put to the House on Motion No. 18.

[*Translation*]

I will now put motions numbered 1 and 2 to the House.

[*English*]

Ms. Audrey McLaughlin (Yukon) moved:

Motion No. 1

That Bill C–20 be amended in Clause 1 by adding immediately after line 16 at page 1 the following:

"except for northern residents as defined in the *Income Tax Act*.

Mr. Alex Kindy (Calgary Northeast): moved:

Motion No. 2

That Bill C-20 be amended by deleting Clause 1.

Ms. McLaughlin: Mr. Speaker, I have put forth this amendment, and I want to make a few remarks that I think justify the amendment as proposed.

This tax clearly is unfair to northerners. In the north I point out that basic telephone service is not available on a universal and affordable basis.

For example, I cite a study that was done in 1981, which found that telephone users in the Northwest Territories, northern Quebec and northern Ontario spent on average between $625 and $650 per year on toll services. This compared with an average of $206 per year for subscribers in the Bell territory as a whole. Clearly, with the higher cost of living in the north and the per capita income which is generally lower, this is an added burden for people who do live in the north.

In particular, as I have pointed out in other debates, the telecommunications tax hurts small business in rural areas that must do much of their ordering and their other business with southern businesses necessitating that they do this by long distance.

Another element of this that I wanted to point out is that radio phones which are used frequently by residents in rural areas in northern areas are in a sense doubly taxed because every telephone call that is made via a radio phone is in fact a long distance call. People who must rely on radio phones for their communication with their children's school or with doctors—with all of the regular business that most of us have to deal with in our personal lives—are being doubly penalized because those then become taxable long distance calls.

I would also add a comment on the inflationary effect of this kind of tax. The Yukon Government, for example, has estimated that a 1 per cent increase in the telecommunications tax means about $4 million extra to the taxpayer and of course to the Yukon Government. Obviously the Yukon Government has to get that money from somewhere. All long distance calls are taxed as well as the public mobile telephone systems. This does have an added impact on northern residents.

I would draw the House's attention to a report done in 1988 by the Public Interest Advocacy Centre, which has done a fairly comprehensive report on northern consumers and telecommunications policy in March of 1989.

In that report both the necessity of telephone communications for northern residents and the added burden that they have is outlined. I quote from that report that indicates that the per capita income, for example, for Inuit in the Northwest Territories was only 53 per cent of the average for the general Canadian population. In northern Quebec it was only 40 per cent of the general average, despite the fact that the average family spends three times more than a southern resident on toll services.

Similarly I would add that this report indicates that most of the calls in the north are ones currently classified and billed as long distance. For northerners toll service is an essential part of basic telephone service. This is a very important difference and one of the basic reasons for this amendment that I am proposing.

Functionally long distance service in northern and remote areas is really equivalent to local service in many southern areas. The result is that southern subscribers get unlimited free calling for most of their telephone calls while northern subscribers are paying toll services for each call.

Therefore, Mr. Speaker, I propose this amendment which I believe would, if accepted, reduce the burden on northerners and make a more equalized and fair system comparable to southern users of the telecommunications system.

[*Translation*]

Mr. Alex Kindy (Calgary—Northeast): Mr. Speaker, I welcome this opportunity to support motion No. 1 in the name of the Hon. Member.

I have children who work in the North, a son in Kuujjuaq and a daughter in Blanc-Sablon. I have visited these communities in Canada's North, and I have seen how difficult life in the North can be.

Penalizing these people by increasing the tax on telecommunications would be entirely unacceptable.

These people work in very difficult conditions. They make sacrifices, and I think that a Government that has any heart at all should not even consider penalizing them, penalizing Canada's Inuit.

That is why I support the Hon. Member's motion, and I believe Parliament should vote in favour of this motion so that people in Canada's North can live the same way as people in Central Canada, in Ontario.

[*English*]

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a few words to say on this particular amendment. First of all the real solution here, I say to the member for Yukon, would be not to have this latest imposition at all. I do not know where the government is going. I guess I do know where it is going, but I do not like where it is going, particularly on this communications tax.

Mr. Murphy: What about transportation?

Mr. Simmons: The member has chosen half a loaf, and we support that. I hear some coming awake in the NDP early this morning, earlier than usual.

I was about to say, if our colleague would just restrain himself for the moment, that I support what the member is doing because it is at least half a loaf, but the real solution is for the government to withdraw this infamous thing before it inflicts anything further on northerners and southerners alike.

In so far as this communication tax is concerned we have to put it in context with respect to people in my province who are already paying, quite apart from the federal tax which is now going to go to 11 per cent if the administration has its way, paying another 10 per cent provincially so that in compound terms they are paying about 22 per cent because they are paying a tax on a tax. You know that story, Mr. Speaker.

This is uncalled for. It is not needed at all, but if it must go forward then the very least that can be done is that we entertain the amendment put forward by the member for Yukon to at least exempt northern residents. They, in a very particular way, are called upon to bear the tax brunt in this country. The gentleman from Calgary Northeast put it very well when he spoke briefly to the amendment a minute ago. Everywhere one turns, whether it is in clause 1 or elsewhere in the bill, the tax grab continues. This infamous tax grab continues unabated. The unrelenting pulverization of the people least able to pay is well under way by this government.

• (1200)

If one were to take the regional impact of the tax measures in this budget and look at it as it affects northerners, as it affects people living generally in rural parts of this country, one would very quickly and unmistakably come to the conclusion that this government has a hate on for rural people. It has a particular thing in its craw about people who do not live in large urban centres. Everywhere one turns, whether it has to do with the railway abandonments, the closing of rural post offices, the sabotaging of the job creation programs, or if one turns directly to tax measures, which is our subject here today, one will find that the whole program of the government is particularly aimed at rural Canadians. Why are rural Canadians being asked to bear an undue amount of the load of the tax burden and so far as cut-backs are concerned? One would come to the conclusion that this government is in the business of overtly, deliberately shutting down rural Canada.

Take, for example, the job development strategy. There was a time when people in areas characteristic of seasonal employment could look to that kind of a program to tide them over. Not anymore. Now those people have a choice of not qualifying for those seasonal jobs or moving to urban centres, because the caveat about training requirements in those programs dictates, in effect, that those people can only qualify for those training opportunities if they live in urban areas where there are more sensible training options available. That is just one of the many examples that we can take from the program of this government to demonstrate that it has a hate on for rural Canadians. It is out to get rural Canadians. This particular clause, like the other clause in this bill that we will be dealing with over the next few days, is a demonstration of that. I have delight in supporting the amendment if it comes to that. At least, let us exempt northern Canadians. But the real solution is to get rid of the provision altogether and to have no increase whatsoever in the communications tax.

Mr. Rod Murphy (Churchill): Mr. Speaker, I was interested to hear the Liberal member for Burin—St. George's get up and speak about how this hurt the north and the rural areas of the country. I remember when he was on the government benches the Liberal government of the day introduced a tax on transportation. We spoke against that and explained that a tax on transportation

hurt people going into the remote communities of this country. It certainly added an extra, unfair burden of taxation on those people and on those communities, because it was a percentage tax and because the tax was based on the higher air fare that those people had to endure. As a result, people in northern Canada, people in the remote parts of Canada were paying a much higher percentage and a much higher dollar value of tax than those in the south.

For those same arguments, I would like to support the motion put forward by my colleague, the member for Yukon. What we are trying to do with the motion that she has presented to the House today is to recognize that some taxes which are imposed on a basis of a flat percentage rate do add an unfair, unnecessary burden on people in the remote and northern areas of this country. Every time a tax is brought in which is 5 per cent, 6 per cent, 7 per cent, 8 per cent or 9 per cent across the board, what the Government of Canada does not recognize is that some people already have to pay so much more for what is a basic and cheap service in southern and more populated areas. Every time an extra one cent is added to the cost of gasoline, every time a 10 per cent tax is added on airline tickets, every time a tax is placed on long distance phone calls, what you are doing is giving a double burden, an extra burden of taxation on the people in these communities.

For that reason, as we look at this particular tax measure or as we look at other tax measures such as the notorious GST, we have to make sure that we really recognize what we are doing by passing these measures. I do not think the members on the government side recognize that. I know there are a number of members on the Conservative benches who represent communities that have been hurt by the dismantling of the northern tax benefit. Those members have not been able to get up in the House of Commons and say: Hold on, you are hurting communities in northern Alberta; you are hurting communities in northern B.C., in northern Saskatchewan, in northern Ontario, or in Atlantic Canada. But they know that that is happening and they know that their government, through its taxation policies, is hurting the very communities that they are supposed to be here representing.

It is unfortunate that from time to time government back-benchers feel that they cannot criticize their government. I applaud the government member who got up earlier today to speak in favour of our motion because it has taken that courage to speak out against his ferocious whip and the cabinet ministers of the government.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to say a few words in support of the motion presented by the hon. member for Yukon.

Let me begin by pointing out to Canadians who are watching that this is only a prelude to a government gone tax crazy. I mean, you have got to think about it. When this government came to office there was no tax on telecommunications. In the space of five years, it has tried to muzzle the people of this country by taxing their ability to communicate. This has got to be the ultimate in a government gone mad. It has let power go to its head and it seems that its sole existence is to tax, tax and tax.

Even the so-called manufacturers' sales tax, that silent killer of jobs, when this government came to office was 9 per cent and in the short period of five years it has gone up to 13.5 per cent. The only thing the government understands is to tax, tax, tax. Canadians are sick and tired of the government reaching both hands in both their pockets and their heads in some other part of the anatomy taking the hard-earned dollars out of the pockets of Canadians.

This particular tax on telecommunications is very bad in itself, but particularly so for people who reside in the northern part of our country. For example, in the Nickel Belt area there are many people in communities, primarily native communities, who have to use radio and telephones. When they have to phone the school that their children have been taken to, it is not like you or I, Mr. Speaker, picking up the telephone and phoning locally. It is a long distance call on the radio telephone. This government is going to tax that 11 per cent, moving it up one more per cent.

In fact, a study was done by the Public Interest Advocacy Centre on northern consumers and telecommunications policy. In their appearance before the regulatory body they stated: "In 1981, in connection with Bell Canada, it was found that Bell subscribers in the Northwest Territories, northern Quebec and northern Ontario spent an average between $625 and $650 per year on toll

services. This compared with an average of $206 per year for subscribers in the Bell territory as a whole."

• (1210)

So now we are punishing people because they live in these nether regions of our country where we have been encouraging and trying to encourage people to go and settle and develop this country of ours. What this government has come along with is a tax on the ability of those people to communicate with each other even within their particular area which necessitates a long distance call.

I cannot understand, and I know that I am speaking for many Canadians, who cannot understand the mentality of a government like this. Outside of the member for Calgary Northeast, an honourable gentleman who spoke in support of this motion, they are all sitting on their hands. They will all sit. Why? Because their big boss has whipped them into line.

There are very few members on the other side who are prepared to throw off the whips of tyranny of Brian Mulroney and his honchos in the cabinet. There are very few of them willing to stand up and be counted: Canadians are waiting to hear them because we have to be united in defeating this tax hungry government. It is the only way. I say to Conservatives on the other side all we need is 20 of you to change positions. We beg you for one simple little vote. Vote with the opposition and send a message to this government. Vote for your own constituents and show them that you are representing their best interests. Surely you are not going to go along like a bunch of trained seals; somebody was so unkind as to call them lemmings. Surely you are not going to sit up and when a fish is thrown clap your flippers and say: "Aye, aye, Skipper." Surely, there are 20 of you over there who will hear the cry of the people saying: "Save us from this tax-crazy government. Relieve our burden of taxes, upon taxes, upon taxes." Surely there are 20 of you who can respond positively to the call.

Mr. Dick: Don't have a heart attack.

Mr. Rodriguez: This government is going to give a lot of Canadians a heart attack with what it has proposed. It is not enough that it will gyp them 11 per cent, but if you live in the province of Ontario you get 8 per cent put on top of that. You have a multiplicity of tax upon tax.

In a spirit of conciliation I reach out to brothers and sisters over there. We need 20 good men and women who will join with us to defeat this iniquitous tax proposal.

I know there is a thing called whips and discipline over there.

Mr. Dick: What cuts are you proposing?

Mr. Rodriguez: We are talking about this particular tax measure that the government has proposed. I am glad you raised that. Why don't you put a tax on mergers and corporate takeovers like the Americans are going to do? Last year we had takeovers of $5 billion. Just imagine if you put on a little 9 per cent tax. After all it is a sales tax. Somebody is buying something. Put on a 9 per cent tax. Look at what we could gain.

What about going even further? When one corporation wants to buy out another, it borrows money and is allowed to write off the interest on the money used for the take-over. They have not created one new job, but they are allowed to write off the interest on the money they borrowed for the take-over. Does that sound fair? No, it is not fair. That is why I appeal to 20 people over there. If they have any courage of conviction, on this one occasion join with us and let us defeat this. Let us strike a blow for ordinary Canadians. Let us strike a blow for working men and women in this country.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am pleased to have a chance to follow my hon. colleague who pointed out very clearly how the New Democrats feel about one more tax grab in the long march of tax grabbing.

The point that my hon. friend for Nickel Belt made was very appropriate. Not only is this an attack on working people and their families generally, it is an attack especially on certain Canadians. We consider that it is a part of a process that we have seen, and I refer to the general sales tax.

Obviously some Canadians are going to be hit harder by the general sales tax than others. Those people who live in the northern parts of Canada, the more remote regions will be hardest hit. For example, those Canadians who have to buy winter equipment, a lot of snow tires, all sorts of extras like snow clothing, and an excessive amount of heating fuels and so on, relative to southerners. In Vancouver you do not have to buy snow tires or snow clothing. Obviously, in Whitehorse, Prince George,

Kamloops, Red Deer, and right across the country in all the northern areas you have to.

So what we are saying is that certain Canadians will have to spend a lot more of their hard earned money on sales taxes on items that they must buy, while southerners will not have to, or do not have to buy in the same amount. Heating fuel perhaps is the most obvious.

As my hon. colleague from the Yukon pointed out, the far northern regions are going to be extremely hard hit, not only generally by the Conservative government tax programs, but by this particular tax measure on telephone calls. That is what we are talking about.

When people in Canada who live in remote areas have a need to communicate for personal reasons, business reasons, or just day-to-day living reasons, make a long distance call; they are not like others living in southern Canada who simply pick up the telephone and dial to anybody they want to, virtually toll-free. That is not the way in the north. As you well know, Mr. Speaker, it is long distance telephone rates; it is long distance communication. When a tax is put on telecommunications, obviously you are taxing more heavily those people who have a greater amount of their purchasing power going into long distance calls.

My hon. colleague for the Yukon indicated that this needs to be amended to recognize that some Canadians experience greater telephone communications cost simply because of where they happen to live in this country. It seems to be unfair that we would introduce a tax that would obviously discriminate against those Canadians living in remote areas, a tax that would be biased against those Canadians who live in remote areas.

I would venture to say that virtually every tax initiative we have seen introduced by the Conservative government does just that. Certainly, the goods and services tax will, and now in Bill C-20, we are recognizing that again in terms of telecommunications costs, those people who live in more remote areas will be adversely affected.

For that reason, my hon. colleague for Yukon suggests that we amend the bill so that the telecommunications service tax not be allotted to northern members as is defined by the tax act which, of course, includes people living in the northern parts of Ontario, Quebec, Newfoundland, Manitoba, and other points west. I think it is a very reasoned amendment.

I ask my hon. Conservative friends across the aisle to speak out on some of these measures. Many members here come from remote areas, from far northern constituencies.

• (1220)

Are they suggesting, by the fact that they are mute on this issue, that they in fact support it and think it is a good idea to be taxing people who live in distant communities on their telephone charges. That is what they are saying because so far only one has had the courage to speak out on behalf of his constituents, and he has supported this amendment as any thoughtful parliamentarian would.

I will conclude my remarks in anticipation that we will hear some thoughtful interjections from hon. members opposite as we move to try and improve Bill C-20. As my colleague from Nickel Belt indicated in a very succinct fashion, this is one more in the long list of tax grabs by this government.

The government always asks where else can it get the money. One obvious way would be to reduce interest rates immediately which would collapse a good part of the deficit and the debt. It would stimulate, almost automatically, economic activity in every part of the country which would generate more revenue in sales tax, excise tax, personal tax, business tax and corporate tax. But no, Mr. Speaker, we are bound and determined that interest rates will remain very high and consequently the debts of the country will increase, the deficit increases, and economic development is strangled as a result of fiscal and other financial policies.

There are many places to get tax money beyond changing the interest rate policy. May I suggest just one in conclusion. I think all of us are well aware of the 60,000 profitable corporations in this country that do not pay any income tax at all. Of course, there are many that pay $20 a year, $200 a year, or $500 a year, but many do not pay a single penny in income tax. There are 60,000 large profitable corporations not paying a single cent. It is shameful. Other countries like the United States does not allow this to occur. In 1986 President Reagan brought in a minimum corporate tax so that there are not

have tens of thousands of large corporations getting away scot-free.

However, in Canada the Conservatives have taken care of the large corporate sector so that now they are trying to nickel and dime a long distance tax from northern residents. Would they put a mimimum corporate tax on the Bank of Montreal? Would they put a minimum corporate tax on General Motors, Nova Corporation, the Royal Bank of Canada, or the Imperial Bank of Commerce? No, they would not touch those. But touch the Inuit and those people living in northern Canada and add a few dollars every week to their necessary telephone charges. It is absolutely disgusting what is going on. It is time that we allow members of the Conservative government to stand up and explain why we are nickel and diming every conceivable person in terms of tax increases. Why does it not bring in a minimum corporate tax so that the Bank of Montreal would be guaranteed to pay its fair share of tax every year, or Cadillac-Fairview pays its fair share of the tax? Why does it not bring in such legislation? Why does it bring in legislation that is going to put an extra charge on the telephone costs for all residents, and this particular clause draws our attention to the plight of those people living in Canada's north?

I stand down to await anxiously my Conservative colleagues across the way explaining why they feel this tax is necessary for a country which is the second largest in the world geographically. Being such a large country we should be sensitive to the fact that there some people who rely on telecommunications services and consequently bear a heavier share than others as a result of the huge country in which we live. I also ask them to explain why 60,000 profitable corporations get out of paying any income tax at all year after year, while the little shop at the corner store pays their fair share, the mom and pop shop pays their fair share, the person running the little welding shop pays his fair share, but not the Royal Bank of Canada, not Cadillac-Fairview, not Nova Corporation, not 60,000 other large profitable corporations that do not pay a single cent in spite of their hundreds of millions of dollars in profit year after year. I will step down and await some of my Conservative friends to explain those two items.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I want to enter this debate for a few moments. Most of the residents in my riding will not be impacted by the amendment put forward by my colleague, the member for Yukon, because most of my riding is not included in the northern tax area, although there are some areas that are in dispute and I understand that the hon. Rene Brunel will be handing down his report shortly. We are all waiting with interest to see what he decides in terms of the levels of support.

In northern Canada, in the northern parts of our provinces, there is a tendency over time to relocate seniors into larger communities. They are taken from the community where they have lived for years, whether it is a farm community or a mining community, and because of the way provinces have evolved they have put long-term care facilities in major centres. So seniors are being taken away from their families and moved to a central location. That is traumatic, but now, because of yet another tax increase, it will be more expensive for them to keep in touch with their loved ones, with their children, and vice versa, for the children to keep in touch with their mother or father in a long-term care facility.

The other thing that we are talking about, and that is why my colleague put forward the amendment, is it is not just the telephone calls that are being taxed but it is the reason for those calls. You are going to tax a call to the ambulance. You are going to tax a call to the fire department. You are going to tax a call to the police department. You are going to tax the calls of people looking for work, of doing a job search around their region, on top of the unemployment insurance cutbacks that this government is intent on doing, and making it much more difficult for the out of work individual to find gainful employment.

It is also going to impact on the cost of doing business in the north. Every cost that that small business or even large business has to endure, and a lot of the work today is done by telephone in terms of on-time delivery for inventory, will add to the cost of doing business in the north. That will result in two things. First of all, the obvious, which is higher prices to the consumer yet again. The second is one more disincentive for industries and businesses to locate in the north, and a greater incentive

for them to once again concentrate around the golden horseshoe in Toronto.

The other aspect that I want to speak about, and one that has not been talked about so far this morning, is the impact of cable TV. Now one may think that it is a luxury. Those members of the House who live in the major metropolitan areas say: "We do not need cable. We just turn on the TV and there is the signal". In northern communities there is no such thing as off-air signals. Residents have to rely on cable if they are in an organized area. It is much more expensive to provide that service because it is a smaller market, and yet they are now being taxed at a greater percentage so that their cost is even higher. They get their news through those channels, whether it is on Cancom in terms of the four Canadian channels that are available or *Newsworld* which is now a service of the Canadian Broadcasting Corporation, supposedly available to all Canadians, but is not because some have not picked it up. When the Yukon picks it up it is going to cost them that much more because it is already a high cost to deliver the signal and to distribute it.

The tax is wrong. I support my colleague's move to, at the very least, exempt northern residents, those defined by the Income Tax Act, from this extra burden. I do hope, like my colleagues have said before, that the members opposite will seriously consider supporting this amendment because it will send a signal to northern Canadians that perhaps somebody is listening.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 1 standing in the name of the Hon. Member for Yukon. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the notion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8), the recorded division on the proposed motion stands deferred.

• (1230)

Motions Nos. 3, 6, 7, 8, 9, 12, 13, 14, 15 and 16, standing in the name of the Hon. Member for Calgary Northeast will be grouped together for debate. A vote on Motion No. 3, will be applied to all other motions in the group that I have just listed.

Mr. Alex Kindy (Calgary Northeast) moved:

Motion No. 3.

That Bill C-20 be amended by deleting Clause 2.

Motion No. 6.

That Bill C-20 be amended by deleting Clause 4.

Motion No. 7.

That Bill C-20 be amended by deleting Clause 5.

Motion No. 8.

That Bill C-20 be amended by deleting Clause 6.

Motion No. 9.

That Bill C-20 be amended by deleting Clause 7.

Motion No. 12.

That Bill C-20 be amended by deleting Clause 9.

Motion No. 13.

That Bill C-20 be amended by deleting Clause 10.

Motion No. 14.

That Bill C-20 be amended by deleting Clause 11.

Motion No. 15.

That Bill C-20 be amended by deleting Clause 12.

Motion No. 16.

That Bill C-20 be amended by deleting Clause 13.

He said: Mr. Speaker, first I would like to say that the Minister of Finance when he brought in his budget said that we have been overtaxed in the past.

I would like to say that when our government took over in 1984-85 the manufacturers' sales tax was at 9 per cent. Now with this new bill you would bring it up to 13.5 per cent. This is penalizing our manufacturers. It has penalized them because they have to export to compete. This bill is making them less competitive and therefore manufacturers will not be able to sell our products abroad. I would like to quote the minister when he was

addressing the legislative committee on Bill C–20. He said:

"This bill contains the necessary legislative amendments to implement the federal excise tax and excise duty changes announced in the budget of April 27, 1989. These measures are an important component of our government's plan of fiscal action to address the problem of the large and growing public debt by recognizing in reaction to the threat posed by the growing burden of the debt we are helping to build a stronger Canada for both present and future generations of Canadians".

These are beautiful words, but what is the reality?

Canada's revenues in 1984–85 were approximately $70 billion and our expenditures were $109 billion, for a total yearly deficit of $38 billion. For the fiscal year 1989–90, revenues have increased to $112 billion, taken out of the pockets of the poor people who live in Canada and small businesses. Very little came from the pockets of large corporations. Expenditures in that fiscal year are increased to $142 billion. We have been collecting more and spending more money.

The minister says he wants even more money. I wonder whether we are not moving in the direction of Argentina, for instance, that had no fiscal responsibility and today has the largest foreign debt of the nations in South America. The reason I mention Argentina is that in 1949 it was the sixth richest nation in the world and today it has an inflation rate of 300 per cent to 400 per cent a year. If we do not become fiscally responsible Canada could move in the same direction.

Our total national debt is close to $370 billion and it was only $180 billion in 1983–84. The Minister of Finance has doubled our national debt in a period when there was prosperity across Canada. There was work in central Canada. The economy was not overheating in the Atlantic provinces or in western Canada, but it was overheating in central Canada. So what did the Minister of Finance do? He raised the interest rates instead of taxing the big corporations which have not been paying their fair share.

I would like to give an historical perspective on the deficit and the debt so that we can better understand it and bring in solutions that would not simply increase the taxation powers of the government but bring about restraint and better economic management to address the fundamental problem of the national debt and the spending of the federal government.

As I have already said we have increased the national debt. We are collecting more money from individual taxpayers so that today each Canadian child and adult has a debt of approximately $13,000.

• (1240)

It takes 34 cents out of a dollar of public revenue to pay just the interest on that debt. The interest payments have outstripped the yearly deficit of $30.5 billion in this fiscal year.

The government proposes now to bring in a new goods and services tax that is going to follow those amendments to this bill. I would like to point out that in 1969–70 the total national debt was $17.5 billion. It was only 21 per cent of the Gross National Product.

In the year 1988–89 the national debt has increased to $350 billion. It is 36 per cent of the Gross National Product. The proportion of the debt to the Gross National Product has almost doubled and no country can tolerate such an increase.

I would say that people in the west, and in particular Albertans, understand very well what this goods and services tax means. It means that it will create more inflation. It will create at least 3 per cent more inflation. Albertans understand that. They understand that it will increase interest rates of the banks. They understand that. Some members of this House say that they do not understand.

They understand as well that it is the consumer who will pay for this goods and services tax when he goes to have his hair cut. There will be a tax on funerals and telecommunications. This is a regressive tax. I hope the Minister of Finance will listen, not to his officials in the Department of Finance, but to the people of Canada. The people of Canada do not want this tax. They have already been paying. Some of them ask where they will get the money.

I would like to refer the Minister of Finance to the fiscal remissions of large corporations that have not been paying their taxes. I believe that this tax is not only inflationary. It is regressive because it punishes the low income earners. It does not pass, as well, the test of fairness. It creates a bureaucracy. The Minister of National Revenue confirmed what I was saying six

months ago, that it will take another 4,000 Revenue Canada inspectors.

Mr. Speaker: I regret to say that the hon. member's time has expired.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the motions that the hon. member for Calgary Northeast has proposed in the House today I think indicate incredibly sound sense. The extraordinary thing is that on the motion we have already debated today there has been no one on the opposite side of the House stand up to refute any of the arguments he has put to the House, in my view, quite ably.

I can understand the reluctance on the part of hon. members opposite to defend the indefensible, but it is their budget that is being proposed here and their budget taxation measures that are being discussed in these amendments. You would think that the minister or somebody would stand up and say: "The reason we are imposing this tax is because of this or because of that". But there is no defence of the taxation that has been proposed.

The hon. member for Calgary Northeast has provided the House with some criticisms that I think are worth while taking into account. The government obviously is ignoring those criticisms from one of it own members. It is a shocking example of arrogance and unwillingness to come into this House and discuss this matter. It says: "take it or leave it" and leaves it for us to vote against it.

Why the members on the opposite side sit on their hands and vote with the Minister of Finance for these incredibly harsh and vicious taxes is beyond me. The hon. member for Calgary Northeast has clearly seen the light and he realizes that this is something that is unacceptable to the people of Canada. Yet this government seems bent on pursuing this course, come what may.

I would like to turn to the taxes and some of the figures that the hon. member for Calgary Northeast has cited. He has already referred to the unbelievable spending habits of the government, and how expenditures have increased so dramatically from the time they took office. He pointed out, quite rightly, the $42 billion increase in taxes that Canadians are now paying since this Tory mismanagement group took over the operation of the Government of Canada in 1984.

The amount raised by taxation has gone from $70 billion, as the hon. member pointed out, to $112 billion in that five-year period. There have been 31 separate tax increases, and here we are debating a bunch more. Canadians have pretty well had it. This government has imposed too many tax increases.

I find it quite extraordinary that the Minister of Finance, in his rantings and ravings about the evils of the current manufacturers' sales tax, has repeatedly told Canadians how unacceptable that tax is, this silent killer of jobs. Even the Prime Minister has taken up the refrain, chanting a around the country: "this tax is a silent killer of jobs".

If it is such a silent killer of jobs, why have they increased it so drastically from 9 per cent to 13.5 per cent as they are doing in this bill? If it is a silent killer of jobs surely you lower the tax, you do not increase it. But not this bunch. They do not seem to understand their own rhetoric. They say it is a silent killer of jobs on the one hand, but they make it worse by increasing it instead of lowering it. It simply escapes my comprehension.

I think most Canadians agree with me that this is sheer folly. The government is acting improperly, it is not doing its job, it is mismanaging the Canadian economy and mismanaging our tax system. It is mismanaging almost everything it touches. It is ruining VIA Rail. It is mismanaging one thing after another in Canada. It is time for the government to get out if it cannot do better.

I want to go back to the gasoline taxes because they are one set of the taxes that are being raised in this bill. The memory of hon. members opposite must be exceedingly short. I am sure the hon. member for Calgary Northeast recalls well the day the present Minister for International Trade who was formerly the Minister of Finance in another incarnation stood in this House and presented a budget. I was not here, but I remember hearing a lot about the budget at the time. The budget proposed massive tax increases of 28 cents, I believe, on gasoline. I am sure hon. members opposite remember what happened. The minister lost control of the House, was forced into an election, and was walloped in the election.

The Liberal party presented a set of coherent policies for Canada and won the election. The principal reason for that electoral victory, as hon. members opposite will well remember, was the vicious tax increases contained in the then Minister of Finance's budget. You will recall his expression: "Short-term pain for long-term gain". That is exactly what we are getting in this bill, but it is going to be a little longer term pain by the appearances of it because we will have, in theory, another three years more of this government to endure.

• (1250)

I say to the hon. members opposite we can cut short that period with a quick vote on this bill. Get rid of this bill and perhaps we will get of this government and save Canadians this kind of tax increase.

Some Hon. Members: Hear, hear!

Mr. Milliken: One would think that the gasoline taxes that were proposed in 1980 taught this government a lesson. It learned that Canadians did not want this kind of tax and they were prepared to vote the government out if they got the chance. I say to hon. members opposite that is exactly the position they are in today. We have more increases in the gasoline taxes in this bill.

The hon. member for Calgary Northeast has proposed that we delete the clause, including that particular increase, and I agree with him. We should vote this clause out. We should support the motions that he has moved, deleting a series of clauses from this bill.

If the government has to go to the people on this and if the people decide they want to pay more taxes on gasoline, so be it. Let us go to the people and have that decision made there. If the hon. members opposite are so confident that the people want all these tax increases, that they want this silent killer of jobs increased some more, that Canadians want to pay more for their gasoline tax and all the other taxes the government has proposed in this budget, let us go to the people and let them tell us about it in an election. If the government is so confident surely it belies it will win.

If it thinks it will win, why would it be afraid to go to an election? I know why it is afraid to go, Mr. Speaker. It knows it would lose. Those members would lose in droves.

We would end up not having to pay these taxes. That is what is going on over there. The hon. member for Calgary Northeast seems to be the only one, at least in public, who has recognized that fact and stand up on his feet and say so. Why do the others not stand up and defend these taxes? I know why. It is a subterfuge.

My friend for Bonavista—Trinity—Conception knows the answer as well as I do. It is a subterfuge. They are trying to say that since some of their members and everybody is opposed to this tax, when the vote happens, maybe Canadians will not be watching and they will not see us vote. They will see that the hon. member for Calgary Northeast who they all know is a good Conservative member was on his feet opposing it, and they will assume that the Conservative party therefore is opposed to these taxes and they somehow got adopted by the House by some mysterious technique—osmosis or something—and the House suddenly adopted the tax by happenstance.

We know who has proposed this tax. It was the Minister of Finance and the Conservative government led by the Prime Minister. We know who is supporting this tax. It is the members who are sitting behind that government on their hands today with their mouths shut, saying absolutely nothing to oppose these vicious measures.

Mr. Mifflin: And they will be sorry for it.

Mr. Milliken: And they will regret it. We will bring that message home. The hon. member for Bonavista—Trinity—Conception and I will make sure that that message is brought home, if necessary, in the ridings where the people have been led to believe that these taxes are the work of someone else. These taxes are the work of this government, $42 billion in increased revenue, the result of Conservative tax measures that have been introduced by this government in this House and passed with its majority.

If most Canadians realized how much more they were paying in taxes than what they were paying in 1984—and I suspect they have forgotten how low they were in comparison—then they would not have voted for this government in 1988. I think this government would face a severe problem at the polls if there was an election held tomorrow, or, indeed, at any future time.

I say to hon. members opposite: if hon. members cannot defend this policy, cannot defend these tax increases, at least have the courage to vote against them and get them out of here so we do not have to put up with them and impose them on the people of Canada who elected us to help them.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to speak in support of the amendments by the member for Calgary Northeast. Earlier I asked for 20 good men and women members on the Tory benches. Well, we have one, so we just have 19 to go, and hopefully with several more days of debate on this bill we might get the 19 others.

I know it may occur to people watching to ask themselves why an NDPer would second the amendments of the Conservative member who moves these amendments to his government's bill on taxation. One reason is because he could not find anyone on the government side to second his amendments. He could not find anyone who at least was prepared to stand up and publicly state before the viewers of this Parliament, before the country, that in fact enough is enough. There is not one of them with his courage who is prepared to stand and say to his leader and those around his leader that they are not going to be played for suckers, that they are not going to just be there as trained seals and flap their flippers every time they get a fish thrown at them.

Mr. Harvard: They are chickens.

Mr. Rodriguez: My hon. friend says they were chicken. I do not want to insult them that way yet because I am hoping that we can get 19 more to vote with us. I do not want to bad mouth them; I want to give them a good opportunity to be persuaded and to find courage to reach deep down within themselves to speak up. This is the time when this country needs clear unequivocal spokespersons on this question of taxation, and taxation, and taxation. They need that.

I mention the fact that this government was tax crazy. The facts speak for themselves. In the most recent budget, the 1989 budget, for example, there is an increase in the sales tax on construction materials and equipment for buildings, going from 8 per cent to 9 per cent beginning January 1, 1990.

Then there is an increase in the sales tax on alcoholic beverages and tobacco products from 18 per cent to 19 per cent beginning January 1, 1990 and there is an increase in the sales tax on telecommunications and programming services from 10 per cent to 11 per cent beginning June 1, 1989.

There is an increase in the sales tax on all other goods to which it applies, from 12 per cent to 13.5 per cent, beginning June 1, 1989. There were several increases to the excise tax on tobacco products beginning April 28, 1989, and again on October 1, 1989, to a total of $4 per carton of cigarettes. Then there was an increase in the excise tax on gasoline by 1 cent a litre beginning April 28, 1989, and again on January 1, 1990, and a further 1 cent per litre increase in leaded gasoline beginning April 28, 1989.

We then have the shifting of financing from general revenues to premiums for regional extended benefits in the unemployment insurance program. That will add another $1.7 billion tax increase on payrolls. I see it is one o'clock, Mr. Speaker, and I would like to call it 1 p.m.

The Acting Speaker (Mr. Paproski): The hon. member will have six minutes remaining in his debate after three o'clock this day.

It being one o'clock I do now leave the chair until two o'clock this day.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

HASTINGS—PRINCE EDWARD REGIMENT

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I rise in the House today to pay tribute to the Hastings—Prince Edward regiment who celebrated the one hundred and twenty-fifth anniversary of the origins of their regiment last weekend in my riding of Prince Edward—Hastings.

This regiment, known as the Hasty P's, mobilized in Picton in 1939 to enter the Second World War. This reunion also marks the fiftieth anniversary of this mobilization.

The Hasty P's were the most decorated Canadian regiment in the Second World War, receiving 31 battle honours, the highest being for the invasion of Italy under Lord Tweedsmuir of England. It is with great pride that I

pay tribute to this rural and small town regiment who earned distinguished recognition for their loyal service to Canada during the Second World War.

* * *

DISASTERS

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, it is with great sadness that I rise today in this House to extend my sympathies on behalf of the people of New Brunswick to the families of the Thanksgiving Day accident in Cormier Village.

New Brunswickers were shocked to learn of the tragedy which struck the tiny rural community this past weekend. The Leger and McGraw family reunion is not unlike hundreds of such celebrations which take place in small towns and villages across this country where Canadians come together to share in and give thanks for the blessings bestowed upon them in the past year.

The tragic incident in Cormier Village serves to remind us all of the fragility of life, and I know I speak for all members of Parliament when I say that our prayers are with these families now and in the coming days.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, on Saturday, October 7, Saskatchewan MLA Doug Anguish, from the constituency The Battlefords, and I held a public hearing into the proposed goods and services tax. We listened to the thoughts of our community and we were appalled at what we heard. The impact of the tax will be enormous on the people of northwest Saskatchewan.

We listened to briefs presented by 14 individuals and groups over a five and a half hour period. Every brief presented, including ones from the merchant's association, farm groups and the voluntary sector, opposed the goods and services tax and asked that we relay their message to the finance minister.

I am now writing a report based on those hearings and will be submitting it in the near future. I ask the Minister of Finance to listen to the people of Canada and to withdraw the GST.

* * *

NATIONAL PARKS

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, Canadians from sea to sea are concerned about our environment. One of the most important ways of protecting our environment is through our national parks system. Alberta's national parks are among the most magnificent environmental reserves in the world.

It is an honour and a great privilege to represent a riding that has been named after one of Alberta's five national parks. Elk Island National Park is home to thousands of birds and animals including trumpeter swans, beavers, moose, elk, deer and bison.

The Minister of the Environment is committed to preserving our environment. Through the Canadian Parks Service Fund, Elk Island will receive $675,000 for essential facilities and services at campsites, interpretive exhibits, elk handling facilities and other major improvements. This support for Elk Island National Park is solid evidence that the Government of Canada is committed to protecting and preserving our environment.

* * *

MINING

Mr. Maurice Foster (Algoma): Mr. Speaker, there is great concern in Canada's uranium mining and processing industry. The Government of Canada has proposed a plan whereby the Atomic Energy Control Board would provide its services to the industry on a cost recovery basis. This will have a serious impact on the workers, communities and companies whose livelihoods depend on a viable uranium mining industry.

There is little question that the Atomic Energy Control Board provides services which are essential in ensuring that proper standards of health and safety in the uranium mining sector are maintained. Nevertheless, these services are generally of benefit to Canadians as a whole, so taxing the industry directly for these services does not fairly reflect where the benefits are felt.

The uranium industry is competing in a tough market-place these days. The ability of our industry to remain competitive will be eroded if a cost recovery plan is implemented. It is much better that the industry's regulatory body continue to be funded from the general revenues of the Government of Canada. This way, there is no possible conflict of interest for inspectors whose services will be paid for directly by the companies. With the world price of uranium at an all-time low, the last thing the government should do at this time is place an additional burden of millions of dollars on the shoulders of this industry.

* * *

[*Translation*]

MEECH LAKE ACCORD

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the Hon. Member for Shefford (Mr. Lapierre) wrote to the Prime Minister of Canada (Mr. Mulroney) recently to suggest setting up a common non-partisan fund to save the Meech Lake Accord. The Prime Minister answered him right away that he would look very favorably on such an initiative, saying: "I hope that all those who really care about meeting the challenge of Canada will continue to work in the same spirit. Regaining our unity and developing our prosperity are essential conditions for Canada's present and future influence and standing. I think that we have made great progress in this regard in recent years, but if future generations are to realize their full potential, we must remove the constitutional uncertainty overhanging our future development, starting today."

Mr. Speaker, the answer from our Prime Minister strengthens our hope that the present obstacles will be smoothed out.

* * *

DISASTERS

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, a tragic event has shaken the whole riding of Beauséjour, especially the community of Cormier Village. A fatal accident left 12 people dead and 45 others injured, of whom 7 are in serious condition. This accident is even more tragic because it decimated two families in Cormier Village, the Légers and the McGraws, at their annual gathering. In the face of such a tragedy, it is difficult to find words that really express how we feel. Nevertheless, Mr. Speaker, I am sure that you join me and all other Hon. Members of this House in our prayers for those who are in serious condition, while we wish the other injured people a speedy recovery.

And I am sure too, Mr. Speaker, that you join all of us in this House in offering our sincere condolences to the Léger and McGraw families and wishing them the courage they will need to come through this difficult period.

* * *

[*English*]

TRANS-CANADA HIGHWAY

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I welcome the announcement of the Minister of Transport of a royal commission on transportation in Canada. In the meantime, I urge the Minister of Transport to negotiate a separate agreement with the Province of Nova Scotia which would expedite the upgrading of the Trans-Canada Highway between Amherst and Truro.

The cutbacks of CN in Newfoundland resulted in substantial additional highway traffic through Nova Scotia, and the recent VIA announcements will result in even more traffic. This is an acute situation with certain sections of the highway experiencing accident rates sometimes four times the norm and all too often resulting in fatalities.

Nova Scotia is unique by design in that we have only one main highway into and out of the province which accommodates all the traffic for Nova Scotia as well as Newfoundland. An upgrading of this thoroughfare is absolutely essential.

* * *

VIA RAIL

Mr. Rod Murphy (Churchill): Mr. Speaker, on Friday the Minister of Transport rose in this House and tried to justify cutting VIA Rail by 50 per cent across the country by quoting the 7 per cent ridership occupancy rate on one particular train on the Waboden—Churchill run.

What he did not tell this House was that this is not the regular passenger train, it is the way-freight. What he did not tell this House is that this Churchill train is an old combination coach and baggage car built in 1928, with wooden seats and with a thin partition separating passengers from freight. There is no food or beverage

service whatsoever. The train is always late because it is a freight train.

What the minister also did not tell this House is that it takes over 33 hours to go from Waboden to Churchill on this particular run. He did not tell this House that there is no place for the passengers to sleep. They are kicked off the train overnight and the station is closed.

The minister ignored the regular passenger train on which, during the tourist season, seats and sleeping accommodations are often impossible to come by. By wantonly using ridiculous aberrations, the minister is clearly demonstrating the obvious. He is not telling the truth to the people of Canada. VIA Rail needs a new conductor. The minister must go.

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NATIONAL FIRE PREVENTION WEEK

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, this week, October 8 through 14, has been proclaimed National Fire Prevention Week. The theme this year is: "Big fires start small. Keep matches and lighters in the right hands". This theme was chosen following findings which indicate that one of every seven school children has recently played with fire, and that children playing with fire is the leading cause of fire deaths among very young children.

Canadians this week and throughout the year are invited to involve themselves in fire safety prevention measures and are reminded to take extra precautions at home to prevent children from having easy access to fire starting materials. As Saturday, October 14, marks Fire Service Recognition Day, I am sure that all members present and indeed all Canadians would like to join me in saluting the dedication and effectiveness of the members of Canada's fire service.

* * *

• (1410)

PROPOSED GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Minister of Finance sometimes likes to quote me in the House and I wish to provide him with more quotations. For instance, I also said that this Mulroney government is the worst thing that happened to the Canadian people since World War II.

[*Translation*]

I would like to quote the Minister who said in the House on March 8, 1984: "We will reduce spending. We will avoid raising taxes which are already too high".

An Hon. Member: Who said that?

Mr. Gauthier: The Minister of Finance!

He did not keep his promise. The Minister increased spending and raised taxes thirty-one times. Even worse, he is about to have Parliament approve a 9 per cent tax on goods and services. Mr. Speaker, this new tax is unfair and inequitable. It will cause particular hardship for low- and middle-income families.

The provinces are aware of the financial circumstances of Canadian families. That is why they do not tax food, and most provinces have no tax on clothing, or if they do, they tax at a very low rate. The Mulroney Government wants to tax these vital necessities as well. The goods and services tax is an anti-family tax. I think the Minister of Finance could use a new slogan, and I will quote one from a statement I made recently. It is: "What is good for the Conservatives is bad for Canadians".

* * *

[*English*]

NEW DEMOCRATIC PARTY

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, the hon. member for Esquimalt—Juan de Fuca is stumbling at the starting gate in the NDP leadership race and some of his star-struck colleagues are embracing him as the latest hands-on favourite.

I want to caution westerners, especially of the leftist, socialist persuasion, of the legacy of this three-year wonder as premier of the province of British Columbia. This is a man who doubled the salaries of the premiers and the MLAs as his first order of business. This is the man who said, when asked about borrowing money from a foreign country, "I am not here to pass moral judgment on the world, a buck is a buck". Does this mean that he would advocate doing business with South American drug barons or Libya or South Africa?

THE ENVIRONMENT

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, the environmental challenge facing all Canadians impacts especially on the workers whose livelihoods depend on our forests. Last week at the IWA conference in Vancouver, delegates debated and passed resolutions recognizing the importance of the environment, and called for policies that stress fighting wasteful logging practices, boosting research and development, an aggressive program of replanting trees and equitable land use policies. A resolution to have a union-wide referendum to approve an environmental fund also passed.

All too often, the workers in the forest get squeezed in resource conflicts by industry and government. As one delegate said about our forest resource, "I too am an environmentalist. My job depends on it."

* * *

CANADIAN WHEAT BOARD

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, today I would like to recognize an organization which works tirelessly in the best interests of western Canadian farmers, the Canadian Wheat Board. The Canadian Wheat Board has always been active in finding new markets and expanding existing ones.

Presently, the Wheat Board markets western Canadian grains to over 60 countries throughout the world. During the last four years, the enormous export subsidies of the United States and the European Economic Community have made the job of the Canadian Wheat Board much more difficult. The fact that the 1988 harvest was very small made a bad situation even worse.

Despite the adverse conditions, the Canadian Wheat Board has done an excellent job of protecting our position in the international market-place. With grain production much improved on the prairies, I am sure they are looking forward to the challenges of the future and will meet them successfully as they have in the past. I am confident that the Canadian Wheat Board will remain the cornerstone of the western Canadian grain marketing system.

MUNICIPALITIES

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, last Tuesday I had the privilege to preside over the national Liberal task force on municipal infrastructure. Every Canadian is entitled to clean water, fresh air, adequate sewage systems, safe bridges and good roads.

[*Translation*]

However, as far as I could see from representations made by municipalities in the Ottawa—Carleton region, municipal infrastructures are in a deplorable state and need federal funding.

[*English*]

I believe that all levels of government have a commitment to improve our infrastructure. It is unrealistic to expect that the financial burden of infrastructure management should be borne by the local municipality alone, whether it is within the Ottawa region where the federal government gets a near free ride because of its heavy usage of local infrastructure or anywhere else throughout the country.

[*Translation*]

I therefore ask the Government to immediately acknowledge the importance of maintaining urban infrastructures by providing financial support to Canadian municipalities.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have some questions for the Prime Minister relating to his upcoming international trip. Four years ago on October 28, 1985, the Prime Minister said this to the United Nations in its General Assembly meeting:

> If there are not fundamental changes in South Africa, we are prepared to invoke total sanctions against that country and its repressive regime. If there is no progress in the dismantling of apartheid, our relations with South Africa may have to be severed absolutely.

That was what the Prime Minister said to the United Nations four years ago.

At the Commonwealth Conference in Malaysia next week, does the Prime Minister finally intend to honour his word and to indicate that Canada really will invoke total sanctions against South Africa? Will he use the influence of his office and Canadian public opinion to persuade other Commonwealth leaders, including Prime Minister Thatcher to the same thing? Is four years not long enough for the Prime Minister to keep his word?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think leaders of the front-line states, for example, would be somewhat surprised by the question of my right hon. friend because there is general recognition in the Commonwealth, particularly in the front-line states but also in many areas of the industrialized world, that the Commonwealth and Canada have provided very vigorous leadership in the fight against apartheid which began in earnest some four or five years ago.

Canada has taken some 50 initiatives, many of which have been followed by other industrialized nations. We are satisfied that the growing impact of these sanctions and policies has had a beneficial effect on developments in southern Africa: the results in Namibia, the developments in Angola, the election of President de Klerk and his recent visit to Zambia which would have been absolutely inconceivable some two or three years ago, his statements on the record of his desire to bring about fundamental change. All of this means for us that we have to maintain the pressure that Canada initiated, along with others, in the Commonwealth some four or five years ago.

I take the comments of my right hon. friend as an encouragement to intensify the procedures and the policies adopted by this government some five years ago to bring about desired change in South Africa.

Mr. Turner (Vancouver Quadra): Mr. Speaker, also on the record four years ago before the United Nations are the words "dismantling of apartheid" and "our relations may be severed absolutely". I note with concern the government's change in vocabulary in recent weeks. The government used to talk about abolishing apartheid, now it talks about reforming it. With great respect, no blacks were allowed to vote in the last South African general election.

[*Translation*]

Mr. Speaker, about the meeting of Commonwealth heads of government, I would like to get back to the question already before the House, the issue of China. Following the Beijing massacres, the Government declared that we could no longer act as if nothing had happened. However, on September 26, the Secretary of State for External Affairs, speaking on behalf of Canada, made his comprehensive speech before the annual United Nations general Assembly, and failed to say anything about China, not a word!

Could the Prime Minister explain this flagrant omission? Can we act as though nothing happened in China? Has our policy changed since the House passed a unanimous resolution condemning the events in China? Will the Prime Minister respond to the wishes of Parliament and table a resolution at the Commonwealth conference, demanding collective action against China?

• (1420)

Mr. Brian Mulroney (Prime Minister): Mr. Speaker, since the events, Canada's policy towards China has been to take a severe approach entirely appropriate to the circumstances. The Secretary of State for External Affairs has in no way departed from this policy which arose from the Chinese Government's brutal treatment of its people a few months ago.

In the House, the Minister stated clearly what our policy would be, a policy that is basically similar to that adopted by many large industrialized countries, and we have been consistent in implementing that policy. We wanted to send a clear message to the Chinese government, but on the other hand, we also wanted to maintain our links with the Chinese people, because all Canadians will benefit from maintaining the bridge that exists between the Chinese people and the Canadian people.

So that is the challenge we had to face, and I think we have faced this challenge successfully, in the interests of all Canadians.

[*English*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, in response to an overwhelming expression of Canadian opinion reflected in the unanimous resolution of the House of Commons, the Secretary of State undertook to us and to Canadians that there would not be business as

usual with the current leadership in China. I share with the Prime Minister his view that our quarrel is not with the Chinese people but with the current leadership, but the action of his government since that resolution has not lived up to the undertaking given to the House.

Following the Commonwealth Conference, the Prime Minister is travelling to Central America, so I would like to ask him about the Organization of American States. The Prime Minister has speculated about the possibility of Canada joining this organization. As this would represent a shift in Canadian foreign policy and indeed, a shift in the foreign policy of his own government, would it be the Prime Minister's intention to allow a parliamentary hearing to test Canadian opinion on this matter before he makes any announcement?

Mr. Mulroney: Mr. Speaker, obviously a committee of this House is free and unfettered in its ability to investigate any policy of this government, or to make any recommendations of policy.

For my part, in response to the question of my right hon. friend, I have been troubled for some time by the absence of Canada from any direct role in hemispheric affairs. There are few organizations that deal with this, the OAS being one of them. While Canada has been very active in Europe, in the United Nations and in organizations around the world, as a matter of deliberate government policy over many decades now, Canada has been absent from what could be an influential role in the Organization of American States.

Clearly, there are downsides to every decision. Each decision carries with it difficulties for the future. However, and I will be speaking of this in the days to come, I believe that Canada has a larger and a more beneficial role to play in the hemisphere. This government plans to pursue all avenues that will allow us to play that kind of productive role.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Douglas Young (Gloucester): Mr. Speaker, there is one message that is ringing out loud and clear across the country for many in the workforce. Again today we have heard from labour leaders across the country who have stated unequivocally that workers in Canada will not play patsy as the government wages war on workers.

My question to the Prime Minister is very simple. We now know that the goods and services tax is going to increase inflation, lower the standard of living, and at least maintain interest rates where they are if not increase them. In the face of all of that, and in view of the unequivocal statement by labour across Canada that they will not become involved in wage moderation when in fact we know there will not be price moderation, is it the intention now of the government to withdraw the goods and services tax proposal and go back to the drawing board as is being recommended by people across the country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, one message that comes through pretty clearly in the hearings and in things that I have heard from a number of other people is that we should not be withdrawing this tax. I think the hon. member himself said back in the summer that this was the right way to go. Yes, the hon. member had some differences but he felt it was the right way to go to move from the existing 13.5 per cent manufactured sales tax to a 9 per cent goods and services tax.

The hon. member made specific reference to the importance of ensuring that we do not get an inflationary impact from the implementation of the goods and services tax. What we are asking Canadians to do here is to accommodate a 1 per cent negative impact on their income as a result of the one–time only inflationary impact as a result of the goods and services tax.

Let us put that in perspective. There has been an 11 per cent increase in real disposable income after tax, that is disposable income after tax and after inflation since 1984–85. Putting it in that perspective, I believe that the position the government has taken is a realistic one.

[*Translation*]

Mr. Douglas Young (Gloucester): Mr. Speaker, Canadians understand the Governor of the Bank of Canada is saying once again he will keep a weather eye out for wage demands and ignore prices, and that is why I will

repeat my question to the Minister of Finance or the Prime Minister.

Since Canadians are being asked to accept a drop in their standard of living, do you seriously think that women and men working in Canada today will agree to moderate their wage demands, now we know the Governor of the Bank of Canada is only going to watch wages and not prices? As far as I can see, the message is quite clear: Canadian men and women will not play along!

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me just draw the attention of the House to the fact that most of the economic analyses have all agreed that there is a very important long-term benefit from the introduction of the goods and services tax; more jobs, higher growth, less inflation, greater productivity. This is widely agreed upon by the various think tanks.

The big question is whether we get this immediately in year one. Our analysis shows 35,000 new jobs in year one and 60,000 new jobs in year two. There are some very major economic benefits here if Canadians, both business and labour, do not act in such a way as to generate an inflationary impact. I have been saying, and others have been saying to business people, "Use restraint with your pricing and also use restraint in wage negotiations to make sure that we can avoid this inflationary impact and bring forward those major economic benefits as soon as we can".

* * *

CANADA-U.S. FREE TRADE AGREEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Prime Minister. A year ago this month the Prime Minister said with reference to the Canada-U.S. Trade Agreement, that if the consequences of this deal were bad, that it was "cancellable on six months' notice".

According to figures released by the Canadian Labour Congress today—

Some Hon. Members: Oh, oh!

Mr. Broadbent: Wait for the question. The most recent data it has prepared indicates that there have been some 57,000 jobs lost. Does the Government of Canada agree with these figures, and if not, will it produce its own evidence by which Canadians can make comparison with its studies and those that have been done outside the government?

Right Hon. Brian Mulroney (Prime Minister): Yes, Mr. Speaker, I can produce figures that were released on Friday by Statistics Canada which indicate that unemployment in Canada has dropped to 7.3 per cent. It has not been lower since August 1981.

Some Hon. Members: Hear, hear!

• (1430)

It indicates as well that there have been 189,000 new jobs created in Canada since January 1, 1989, when the free trade agreement came into effect, 86 per cent of them full-time.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the Prime Minister knows that there are still over one million Canadians unemployed and that notwithstanding the braying in the back-benches of his own party if the studies done outside the government are correct unemployment would be that much lower if we did not have the trade deal. That is what that is all about.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Once again the Conservative caucus demonstrates its lofty level of intelligence, but I leave that with the people of Canada.

When the Prime Minister made the claim last fall that the deal would be cancellable on six months notice, presumably he intended the people of Canada to believe his government would conduct its own studies to have a serious assessment of the effects of the trade deal. It could mean nothing else for a serious person. If the Prime Minister and his jackals here want to contend figures outside the House, why does the government not have the integrity to produce its own studies for the people of Canada on this?

Mr. Mulroney: Mr. Speaker, the free trade agreement took effect on January 1, 1989. It is of course difficult for anyone to evaluate the full effects in such a short period of time, on one side or the other. I think my friend would acknowledge that. It will probably take somewhat more time before any objective observer can come to a definitive judgment. And I could understand my friend's question if, since January 1, 1989, Canada had lost 189,000 jobs. But we did not lose any, we created 189,000 new jobs in Canada. That seems to suggest to me that by and large the general economy, including the implica-

tions of the free trade agreement, are having beneficial results in Canada.

Mr. Broadbent: Mr. Speaker, the Prime Minister knows full well that every year since the Second World War there have been thousands of new jobs created. That is not the issue.

Some Hon. Members: Wrong, wrong.

Mr. Broadbent: The serious issue, and I would hope the Prime Minister would be serious about it, is whether we would have more jobs that have been created, created, had we not had the trade deal. That is what a serious study would tell us and that is what the government should be up to.

[*Translation*]

The Prime Minister knows perfectly well that during the weekend, the Minister responsible for Agriculture admitted in a speech in Québec that ever since the trade agreement was signed, the results for Canada had been very negative in his Department, and this applies to pork, beef, sugar, fish and other products. According to this study, we have now lost nearly 60,000 jobs in the manufacturing sector. If that is true, isn't this sufficient reason for the Government to terminate the agreement?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of State)(Agriculture) is of course concerned about the tenor of certain gestures or decisions by the U.S. administration, in light of the FTA. Last week we had a meeting with executives of the UPA, the Minister of Agriculture, the Minister of State (Agriculture), the Minister for International Trade and myself, to discuss and analyse approaches to problems of this nature. Of course, one must be vigilant whenever a trade treaty is concerned, and the Minister is trying to do so. The Hon. Member quoted from a document. I could mention another document that was published this morning. This is a report from Germany, datelined Munich.

[*English*]

"Premier Frank McKenna of New Brunswick told West German businessmen yesterday that the U.S.–Canadian free trade agreement has opened up major (new) market opportunities and urged them to invest in his province."

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: Obviously, Premier McKenna, one of the distinguished Liberals in this country—maybe the only one—certainly, relatively speaking, a visionary Liberal—

Mr. Broadbent: On Meech Lake?

Mr. Mulroney: On commercial matters—has indicated a matter that I think my hon. friend will agree benefits New Brunswick. The associate Liberal finance critic from New Brunswick would agree, I am sure, that his former Premier and leader speaks very eloquently for New Brunswick in terms of economic matters. Therefore, I am sure a lot of Liberals will want to support him.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a comment on the Prime Minister's last statement. I wonder if he applies that sense of vision to the Premier of New Brunswick on constitutional matters as well.

The Prime Minister has made some use of figures on this issue, and I think there is a matter of division in the country. Why is it that in the Statistic Canada figures he quoted that the number of full-time jobs fell by 36,000 in the last month and that the job figures as compared to last year are down by 30 to 40 per cent?

Does that not begin to show that there has been a serious loss of jobs as a direct consequence of the trade agreement? If the government is disregarding those figures, why is it afraid to publish its own? Why is it afraid to come forward with its own score card as to the impact of the trade agreement as promised by this government in the election?

I ask the Prime Minister directly: Will the government publish now its studies and reports on the consequence of the trade agreement so that Canadians can finally know the truth?

Mr. Mulroney: Mr. Speaker, the figures are there as published by Statistics Canada. Since 1984 there have been 1,535,000 new jobs created in Canada.

Mr. Allmand: Since last year.

Mr. Mulroney: My hon. friend says: "since last year". Since November 1988, since the election involving the free trade agreement, there are 205,000 new jobs created in Canada. There were 5,000 in Newfoundland, 4,000 in Nova Scotia, 85,000 in Ontario, 27,000 in Alberta, and 84,000 in British Columbia. In fact this year more than 55 per cent of all the new jobs created in Canada have been

created in western Canada and that too is a sign of economic and social progress.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, the Prime Minister is still fudging the answer. He is not giving the figures because he knows full well that the report shows that there were less jobs created this year than there were last year and that the full-time jobs are substantially down this year over the last year. It does not take an economic genius, which the Prime Minister is not, to figure out that the free trade agreement is having a negative effect.

We simply want to know when this government is going to live up to its commitment and promises to provide this country with the proper figures and proper adjustment programs so that Canadian workers will not be victimized by this agreement but will be helped by this government because of the free trade agreement's negative effect of loss of jobs that other groups can clearly see.

Mr. Mulroney: Mr. Speaker, from 1984 to 1988 Canada had the largest percentage growth in employment of any G-7 country: Canada's was 12 per cent, the United States was 9.5 per cent, the United Kingdom 7.5 per cent and so on. Since the free trade agreement has come into effect, there have been 189,000 new jobs created and the member for Winnipeg says we have lost jobs. There have been 189,000 new jobs, but perhaps my hon. friend would want to go on the record with some information that was provided by the finance department and the Bank of Canada. Since 1984 and 1988 more jobs were created in Canada than in the following countries put together: West Germany, France, Sweden, Belgium, Greece, Finland, Ireland, New Zealand and Austria. That is a record of job creation that my hon. friend should be applauding.

* * *

• (1440)

FINANCE

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Finance. Over the weekend it was revealed that the Minister of Finance and the Information Commissioner are in a lawsuit over the minister's refusal to release departmental documents which would show whether the minister was telling the truth about Tory campaign promises during the election. These were departmental estimates on interest rates and on the deficit.

The minister has never claimed, nor have his officials, that these documents are entitled to exemption from disclosure, and they are not entitled to exemption from disclosure. On the contrary, in July and in September his officials told Iain Hunter, a reporter from *The Ottawa Citizen* that the documents were ready for release and in the minister's hands.

Is the minister prepared to obey the law, to end this senseless lawsuit, both sides of which are being paid for by the taxpayers, and to make these documents public today?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is no lawsuit. We have been working hard on developing the information that Mr. Hunter of *The Ottawa Citizen* has required.

I would say to him and I would say to the House today that we have every intention of providing the applicant with the information that he is entitled to under the act?

[*Translation*]

Mr. Kaplan: Mr. Speaker, according to the Information Commissioner, the Government's and the Minister's failure to provide this information is in itself a violation of the Act. Again, I want to ask whether the Minister is now prepared to admit that the only reason for the delay, on two occasions, maybe three, is that the documents reveal that the Government's statement during the election campaign were false?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, my answer would be the same as I gave to his previous question.

It has taken a while to pull this information together, but when the information is completely pulled together we will provide all the information to Mr. Hunter that he is entitled to under the act.

* * *

UNEMPLOYMENT INSURANCE

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, my question is for the Prime Minister. During the last election campaign we heard a lot of promises about adjustment programs geared to cushioning the negative impact of the free trade deal. News reports today say

that 50,000 to 60,000 people have already lost their jobs as a direct result of the free trade deal.

The only adjustments I see being made are adjustments to the Unemployment Insurance Act. Would the Prime Minister confirm that the only adjustment program he has is cut-backs in unemployment insurance so that the unemployed workers themselves can pay for the training of other unemployed workers?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the figures that came out today are not the figures that I explained to the member in committee last week. The figures that came out today are not in line with what the future of this country is and they are not in line with what is the labour force development strategy.

The labour force development strategy will provide $800 million more. It will be paid for by employers and employees, not by the unemployed who will have a far stronger chance of building a better future because they will have more job opportunities through Community Futures and through training for contemporary jobs. That is what workers in Canada have expressed to us that they want, through their application for our existing programs, because they want the training.

Mr. Fisher: Mr. Speaker, my supplementary question is for the Prime Minister as well. The only question I can ask in response to that answer is: will the Prime Minister go to Gaspe; will the Prime Minister go to Moncton, New Brunswick; will the Prime Minister go to the Avalon Peninsula and explain to the 10,000 people in the Avalon Peninsula why they are going to be cut off from unemployment insurance if Bill C-21 passes?

Mrs. McDougall: Mr. Speaker, let me say first of all that the opportunities to upgrade skills are going to exist all across Canada. I have just returned from a trip to Atlantic Canada where I explained our programs which were well received by the people with whom I met in New Brunswick.

There is a demand for skilled labour in all parts of Canada, including Atlantic Canada. I met with all of our Community Futures managers there from across Atlantic Canada and they understand perfectly well what we are trying to do and they support it.

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, my question is also to the Hon. Minister of Employment and Immigration. As a result of the base closure at Portage La Prairie and others, the minister heads a cabinet committee to deal with the negative impact of unemployment and economic losses to the area.

Will the minister guarantee adequate funds for the new economic opportunities office that she has opened there, about $2 million, in view of the fact that we are saving $450 million on defence.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I want to thank the hon. member for his continuing interest in his community.

My officials have been meeting with community representatives, with employers and with workers in the area. Through the Office of Western Economic Diversification new jobs are already being created in the Portage area. There were 90 new jobs in product development and assembly at Western Combine Corporation in Portage. We are funding this store front office to help people in the community take advantage of new opportunities, and that is how the people in the community see it.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Prime Minister. On VIA Rail cuts the government is saying no public hearings. On the GST the government is saying it is going ahead no matter what the public says.

Now on unemployment insurance the government is ignoring everything that has been said right across the country about the devastating effects of Bill C-21 on the unemployed and on their communities and is ploughing ahead with this disastrous bill. Is there anything on which the Prime Minister and this government are prepared to listen to Canadians?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, let me point out that on the labour force development strategy, in response to some of the things that were said in the committee, we have come out with some amendments which I thought the hon. member supported.

As well, in terms of the growth in jobs that are going to be created as a result of the Community Futures and as a result of the training, that is something this government stands behind.

I would also remind the hon. member that the Liberal government in 1977 changed the entrance requirements as well. We intend to stand by our changes.

[*Translation*]

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is directed to the Minister of Employment and Immigration, who is ignoring the views expressed in four weeks of testimony on her bill across Canada. Doesn't she realize that the cuts in unemployment benefits will impoverish thousands of Canadian unemployed and devastate the economies of so many small communities across Canada which depend on seasonal industries?

[*English*]

Is not the Minister really telling the unemployed in rural Canada with this bill: "move or starve"?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, quite the contrary. One of the things we did for seasonal workers, because we recognize the reality of this in parts of Canada, is that we took out the repeater provision which penalized seasonal workers. So we were paying attention to seasonal workers.

We are going to double the training money under this strategy and it is going to be very helpful to Canadians. I suggest that the hon. member help us decide what the training funds should be used for so we can help the people in his region as well.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my question is also for the Minister of Employment and Immigration. In Newfoundland there is growing uneasiness over the federal government's employment policy engendered by Bill C-21, the changes to the Unemployment Insurance Act. The emphasis on training for jobs that do not exist at the expense of jobs that do exist has the disastrous effect of forcing Newfoundlanders to move away from their home to find work. They can no longer rely on the traditional jobs available to them under the job development strategy.

• (1450)

Will the minister promise this House, and Newfoundlanders in particular, that she will show compassion and re-examine the proposed changes that will not work for other parts of Canada and that will be disastrous for Newfoundland?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I think that Newfoundland, as the rest of Canada, deserves all of our help in terms of building an economic base from the ground up and providing the training that workers there need. There are skill shortages in Newfoundland as there are in other parts of Canada.

It is the strength of the Community Futures Program that starts in the community and defines those needs and those opportunities, combined with the training that we can provide, that is going to help people in Newfoundland as it is in other parts of Canada.

Mr. Mifflin: Mr. Speaker, on a supplementary question I am going to quote the Prime Minister who said that clearly there is a down side to every decision. There is quite a down side to this. Let us face it: this is a bad bill.

If this sudden shift in policy makes so much sense, can the minister explain why the committee on Bill C-21 in its hearings across the country experienced about a 90 per cent rejection rate; 80 per cent vehemently opposed, 10 per cent opposed and the remaining 10 per cent confused, undecided and lukewarm at best?

Mrs. McDougall: Mr. Speaker, if the hon. member goes through the submissions that were made at the hearings, as I have, he should understand better that whereas there was some disagreement with some of the proposals from one side and there was disagreement with the other, we have labour and management for the first time in this country working together on what the training programs should look like. That is a real breakthrough for this country and for the kind of programs we are going to provide.

Oral Questions

CANADA–U.S. FREE TRADE AGREEMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Prime Minister. The Minister of State for Agriculture admitted this past weekend that since free trade came in in this country in fact there has been a decrease in the relationships between the United States and Canada so far as trade is concerned.

In view of this, what explanation can the Prime Minister give for allowing, contrary to law, American used cars into this country without meeting Canadian safety standards?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, it is quite clear that as concerns used cars coming into this country from the United States, the Department of Transport has already proceeded with a series of changes in its regulations, especially for vehicles more than eight years old, and we intend to bring the Canadian market's regulations into line with Canadian safety regulations. I can give the House the assurance that as procedures are implemented, Canadian regulations will be brought into line, and that there is no way used cars coming in from the United States will not meet Canadian safety regulations.

[*English*]

Mr. Langdon: Mr. Speaker, in fact this government said that safety standards would be respected for Canada in this entire arrangement with the United States. So I ask this government again: Why this reversal, why this decision to turn back this promise which was made to the Canadian people, why this decision to put the risk of Canadian safety on the bargaining table yet again?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, my friend knows that what he says is absolutely untrue. He knows that very well. He knows that, for example, we have changed the regulations for the metric speedometers and the bilingual fuel labels. At this stage with the existing U.S. safety standards we will soon replace the regulations in place with the notice of defect, and after 1990 all vehicles imported will be required to respect the Canadian rules. He knows that very well. I do not believe that it is sound to mix politics with safety.

[*Translation*]

MINES

Mr. Guy St–Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion.

The Canada–Québec agreement on mineral development expires in March 1990. This agreement has met its objectives quite satisfactorily, but much remains to be done with respect to research and development in the mining industry in Québec.

My question is as follows: Could the Minister confirm to the House today that he is currently engaged in talks with the Government of Québec for the purpose of renewing the agreement for the next five years, so that the mining industry will survive? If not, when will talks begin with the Government of Québec, with Mr. Bourassa's government?

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I can indeed confirm that we are in active discussions with the Government of Quebec in terms of our co–operative economic agreements. I am hopeful that now that the Bourassa government has been re–elected a new ministry will be in place and we will be able to make progress and sign the agreements in the near future.

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COMMUNITY FUTURES PROGRAM

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, my question is for the Minister of Employment and Immigration. The Lamont–Two Hills Community Futures Program is important to Elk Island. Can the Minister assure us that this program will continue and, if so, will she also assure us that the smallest possible amount of program funding will be spent on administration and bureaucracy and that the maximum possible support will go toward helping the small businessmen and our community?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the Lamont–Two Hills Community Futures is a program that has been under

way for only a couple of years. As a young project it is already proving itself helpful. We would expect to see a transition from more administrative costs to more program costs as it progresses, because that has normally been the history of what has happened with community futures projects.

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CANADA–U.S. FREE TRADE AGREEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in response to a question from the member for Essex—Windsor, the Minister of Transport again demonstrated a lack of familiarity with his own documents. He indicated that used cars under the free trade agreement would not be allowed importation from the United States unless they met Canadian safety standards.

I want to read from the regulatory impact analysis statement just produced this morning by this government which says:

> The Motor Vehicle Safety Act currently prohibits the importation of motor vehicles prescribed by regulation that do not meet Canadian motor vehicle safety standards. Strict enforcement of these provisions will conflict with the intent of the free trade agreement as used vehicles from the United States will not necessarily meet all Canadian motor vehicle safety standards and thus cannot be imported.

Would the Minister spend a little more time in reading the background documents on VIA and on free trade before he spontaneously gives answers like that in the House of Commons?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I suppose that the leader of the Liberal party had the document at the beginning of this session. It has been given to him by the member for Winnipeg.

Some Hon. Members: Shame, shame!

Mr. Benoit Bouchard (Roberval): Mr. Speaker, I will just repeat what I said. I said that we have changed regulations dealing with cars imported from the United States and we will continue to do that.

I said also that procedures have been developed that will require vehicles imported after 1990 to comply with Canadian standards when equivalent U.S. models may have different safety standards. That is what I said; that is what I repeat.

• (1500)

Mr. Turner (Vancouver Quadra): Mr. Speaker, all that indicates is that the hon. member from Winnipeg, who is our trade critic, knows the documents produced by the government better than the minister does.

I want to suggest that it is becoming a habit that when the minister presents statements to this House and quotes government policy, when we get the documents the next day, as we did in the case of the regulatory impact analysis statement relating to the importation of used cars, among other goods, and when we got the statement produced by the president of VIA Rail, supposedly tabled in the House of Commons to support the minister's statements, the written documents in no way substantiate what he tells this House.

Mr. Bouchard (Roberval): Mr. Speaker, I would prefer to use my documents rather than those produced in terms of employment by the member from Winnipeg. When he was the Minister of Employment and Immigration, we had the worst performance in terms of employment in this country.

I repeat what I said, Mr. Speaker. The documents I use as Minister of Transport are sound and very good documents. I prefer to use my documents rather than those produced by his party.

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PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to members' attention the presence in the gallery of Mr. Adam Nowotnik, Vice–Minister of Fisheries, Shipping and Communications for Poland.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PRIVILEGE

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, I wish to thank your for giving me this opportunity to raise a question of privilege of which I gave the Chair notice this morning. Last Friday, the Department of Fisheries and Oceans published a document under the title: *Atlantic Fisheries Media Book*. This document contains some information that was already available to the public and also information that is being published for the first time. This information is not and was not available to

Members. The Minister took this opportunity to release the information directly to the media, without inviting or notifying Members.

As a Member of this House with specific duties as the Opposition spokesman for fisheries, I feel that my rights have been breached and that my role as the Official Opposition critic has been diminished. Especially, Mr. Speaker, since in this document, the Minister seems to paint a picture that is far more optimistic than the gloomy situation in our Atlantic fisheries. We know there is a serious problem with our northern cod. Quotas have been cut, plants have had to close, the herring fisheries are in serious trouble, and lobster, Mr. Speaker—

Mr. Speaker: Order! I am reluctant to interrupt the Hon. Member. I realize he may wish to formulate a complaint, but I must say, in response to his statement, that this does not constitute a question of privilege. However, if the Hon. Minister wishes to respond, he may do so.

[*English*]

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I am certainly pleased to respond to the concerns raised in the form of a question of privilege by my hon. colleague for Beauséjour.

I am aware of a collection of information, I assume to be public information, which my Deputy Minister and officials have put together, summarizing the current economic performance, and the landings, the record of the fishery of recent years. I understand that that document has been used for the briefing of various members of the media, among others.

That document has not been made available to members of Parliament. I believe it to be based on public information. I would be most happy to make it available to all members of Parliament should that be the wish of the hon. member.

I would suggest, Mr. Speaker, that in no way has the privilege of members been breached in this manner.

Mr. Speaker: First, other members may wish to rise. There is no particular need to do that because this is not a question of privilege. The hon. member for Beausejour has directed a complaint to the Chair. I am sure that given the response by the Minister, perhaps a discussion would ensure that the complaint would not have to be brought again.

Hon. members will realize that a question of privilege is not the place to enter into a debate, no matter how legitimate or how difficult the issue is.

The hon. member for Ottawa—Vanier is rising on a point of order.

[*Translation*]

Mr. Gauthier: Mr. Speaker, you will remember that since last Friday, we have changed the Standing Orders somewhat with respect to committees of the House. As you know, the Standing Committees of the House have all been reconstituted and are now in a new session, and to avoid having elections in all the committees, the House decided not to follow the customary procedure in the Standing Orders according to which each committee elects its chairman, vice-chairman and so forth.

Today, it seems we have a few problems as a result of the decision we made here on Friday, since the committee clerks will not accept the lists of replacements for members of the various House committees, which may cause certain problems when we want to be replaced or have to be in two locations at the same time. Mr. Speaker, to deal with this situation and avoid any problems as a result of the fact that members have not had time since this morning to submit their lists of replacements, I wish to move, having consulted with the Government and the New Democratic Party, the following motion which reads as follows:

> That the list of replacements for members of Standing Committees, in effect on October 5, 1989, in other words, last Thursday, remain in effect, where appropriate, until October 17, 1989.

[*English*]

Mr. Speaker: The House has heard the terms of the motion. The hon. member for Ottawa—Vanier is clearly putting a motion which would require consent of the House. There seems to be some indication that he has that consent. Is it agreed?

Some Hon. Members: Agreed

Motion agreed to.

Mr. Speaker: When the House rose at one o'clock, the hon. member for Nickel Belt had the floor.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-20, an act to amend the Excise Tax Act and the Excise Act, as reported (without amendment) from a legislative committee, and on Motions Nos. 3, 6, 7, 8, 9, 12, 13, 14, 15, and 16 standing in the name of the hon. member for Calgary Northeast.

Mr. John R. Rodriguez (Nickel Belt): Thank you, Mr. Speaker. At that time I was speaking in support of the amendments put forward by the hon. member for Calgary Northeast on Bill C-20. I had pointed out that the facts show that this government is tax crazy. I listed and enumerated, since 1984, the tax increases that the government has brought about on the people of Canada and that in fact Canadians are fed up with the way in which this government has been reaching into their pockets, left pocket, right pocket and back pockets, and taking their hard-earned money from them.

At the same time, I think Canadians are thoroughly shocked by the way in which the government treats the wealthy in this country. It seems that Michael Wilson, finance minister, once said in a speech in Montreal: "The problem with Canada is that there are too few rich people". I do not see why they seem to think of it as their mandate to try and increase the number of rich people by taking from the poor to give to the rich. This is a new version of Robin Hood.

In fact, just to give you an idea of how people feel, these are ordinary folk—who express in their own way—the way they feel about this government and taxes, I have received a couple of letters in the last week from two diverse places, one from here in Ottawa. I will read parts of the letter into the record because I think it is apropos. It is written to me and it states:

Dear Sir:

We are quite concerned as seniors of middle-income means as to the possible impact the GST and claw-back on the OAS is expected to have on our group—

We were both born and raised in a low-income and hard-working milieu. We, however, studied hard, worked hard and struggled all our lives in order to better ourselves and thus achieve a reasonable, comfortable life style for our children and ourselves. We planned for our retirement the best that we could on a middle-income salary. Suddenly, we find that these last two conservative governments are undermining all our efforts to ensure ourselves of a self-sufficient and decent life style.

We have corresponded with Mr. Blenkarn regarding our grave concerns—

Good luck to them.

—only to receive the attached response.

The attached response is the same offhand dismissal that Mr. Blenkarn has treated the people of Newfoundland, Alberta, British Columbia and northern Ontario to. If they are not from his income bracket, he just dismisses them. Nevertheless, this couple wrote to Mr. Blenkarn thinking that he was the chairman of the finance committee, that somehow or other he is the person you write to, or at least he might listen.

• (1510)

The letter continues:

We are neither naive nor stupid enough to believe that we are not likely to be seriously affected by the proposed GST, claw-back of the OAS and God only knows what else this government may be proposing for the future to further undermine our financial status and thus our life style.

We hope and pray that members like yourself, Mr. Douglas Young, Mr. Lorne Nystrom, to name a few, will continue to fight on our behalf and on behalf of people of the lower income levels. These two levels are the most vulnerable and least protected in Canadian society, yet the government is taking dead aim at them.

That is written very simply and from the heart. This gang seems to come from the head. They go from the head to people's pocket-books. This couple is writing from the heart, the way they have experienced it. They have worked all their lives and here comes this Tory government, acting like a Tory government. Of course we know the whole idea is to restructure the tax system so that the wealthy get off scot-free while you take it from middle and low-income Canadians.

Here is another letter from a couple of women in Lively, Ontario. It states:

Dear Mr. Rodriguez:

I am tired of the government doing what they want, everyone complaining and no one doing anything. I think the problem is that people feel helpless to fight the government and we don't know how to do it or what to do about it. We do not live in a democracy as we are led to believe. The government is far too powerful in this country.

> Everyone I know was against free trade and it went through. The concerns of the common taxpayer are of no concern to the government. They do what they want and they aren't in a position to suffer from their decisions.
>
> We work hard for our money and we aren't allowed to keep a decent portion of it. My husband works 10 hours a day, six days a week and we are always overdrawn at the bank, we do not have a new car—a 1980 small model—and we live in a small house. We don't drink, we don't go out except for the odd dinner out for a break and we all need clothes and other necessities. No matter how hard we work we don't get ahead.
>
> Forgive me if my letter sounds bitter and hateful but I'm just so tired of the government and what it is doing to us. I thought I'd write and tell you how I feel and so many others feel the same way. They may not want to write because they feel it's hopeless, too. Can't you do something?

How could Tories sit over there and not respond to a plaintive cry for help as people are trod upon by this government which has no mandate to do what it is doing? None whatsoever, no mandate at all.

I want to say that we need 19 more Tories with courage, with guts, with backbone, not a wishbone where their backbone should be. We want them to stand up like the Member for Calgary Northeast, stand up and be counted.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired.

Ms. Catherine Callbeck (Malpeque): Thank you, Mr. Speaker. I am pleased to be able to take part today in this debate. I certainly support the motions that have been put forth by the Hon. Member for Calgary Northeast.

As an MP from Prince Edward Island, I have many concerns about this bill. Bill C–20 will affect our three main industries: farming, fishing and tourism. As well, it will affect the consumers, commuters and truckers. In fact, all islanders will be affected in some way by these changes.

This government claims to have chosen, and I quote, "a balanced approach that takes regional situations into account and that imposes the heaviest burden on those who are most able to bear it".

I contend that the measures contained in Bill C–20 reflect not a balanced approach but an unbalanced approach that stands to cost my part of the country, the Maritimes, more than other parts of Canada.

When we look at the elimination of the excise tax rebate on gasoline and diesel fuel, we see this means that it will cost the farmers on Prince Edward Island roughly $450,000 annually. We cannot forget that the farmer is also a consumer and that he is going to be hit by all these other tax increases. The gasoline tax increase when considered as an additional input cost of trucking will also mean higher freight rates to send crops to markets off the island.

If we look at another industry on Prince Edward Island, the tourist industry, we see that it means approximately $100 million to the economy of our province. It employs roughly one–tenth of the population. This increase in the price of gasoline, which has gone up 32 cents a gallon since 1984, is going to mean that the cost of a holiday in P.E.I., or in any part of Canada, is going to be more expensive. What this is going to mean is that a trip south is going to look more appealing than coming to Prince Edward Island.

The fisheries industry is affected by Bill C–20, and it is a vital industry to my province. Like the farmer, the fisherman will lose his gasoline excise tax exemption at the end of December. That means when he goes out to fish next year he is going to have to pay more for his fuel.

Again, let us not forget that the fisherman is also a consumer and is going to be subject to all these other tax increases like the rest of us. As I said, consumers are the main target of these tax measures under Bill C–20.

The Canadian consumer has been the target of this government's tax increases since 1984. We have seen an increase in the sales tax from 9 per cent to 13.5 per cent. We have seen long distance telephone bills go from zero tax to 11 per cent tax. Finally, the gasoline tax has increased 7 cents per litre, or 32 cents a gallon, since 1984, and it may go even higher. Taxing the average Canadian consumer seems to be this government's policy. Since 1984 the total taxes of a family near the poverty line with two children and both parents working have gone up 176 per cent. The taxes on a comparable family earning $100,000 or more have gone up only 11 per cent. That is not my definition of fair taxation. In fact, I think that it is simply horrendous. Here we have taxes on a lower income family which have gone up 176 per cent as compared to 11 per cent for the high income family. We have the rich getting richer and the poor getting poorer.

• (1520)

I want to come back to the increased price of gasoline for a moment. The largest centres on Prince Edward Island, Summerside and Charlottetown, are both outside my riding. This means a lot of people in Malpeque have jobs in those areas and have to commute to work. The extra two cents per litre will mean that the average Island motorist will now pay at least $400 a year in federal and provincial taxes. It will mean that those who commute will have to pay double that amount, according to the Canadian Automobile Association.

That is the reality of rural living. That is what this means for the people of my riding. We have lost our VIA bus which means that 27,000 people who took the bus last year between Charlottetown and Moncton will now have to find another mode of transportation. This also is going to mean that we are going to have more cars on our overcrowded roads and more tax revenue going into government coffers.

While commuters face a tough time filling their cars with gasoline, including many who use car pools, the trucking industry is one industry that has really suffered and will continue to suffer as a result of this Bill C–20. Transportation firms have been asking the government to eliminate the excise tax because it discriminates against the long haul movements, thereby distorting regional economies.

A spokesman for Canadian Pacific said: "Transportation is a necessary input to virtually every business and service in this country". They maintain that by increasing the excise tax, which businesses cannot and will not be able to claim as an input credit, the government is discriminating against the trucking industry.

When the government imposes higher transportation costs as a result of the increase in fuel taxes, the basic price of goods, and therefore the tax paid on them, will be higher in places like Prince Edward Island. What this will mean is that people living in more remote regions will pay more tax than those living in central Canada. As my colleague from Yukon stated earlier this morning, this is simply unfair. This is not what I would call a balanced approach that takes regional considerations into account and imposes the heaviest burden on those who are most able to bear it, as the government claims.

To sum up, Bill C–20 in my opinion delivers just the opposite of what the government is suggesting. I contend that by increasing the tax on gasoline and other goods and services this government is hurting the regional economies like Prince Edward Island and people with lower incomes, many of whom can be found in my riding.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am happy to have an opportunity to speak to Bill C–20 because it has two very important provisions in it, clauses 4 and 5, which relate to regional economies, as the hon. member from Prince Edward Island has just outlined, and the massive increase in the excise tax on gasoline of two cents last April and one cent on January 1.

The impact of that amounts to some nine cents a gallon and is a pretty hefty increase in the price of gasoline. It had a lot of distorting impacts across the country, particularly in border cities like Sault Ste. Marie where we have literally hundreds of thousands of cars every week lining up to go across to the United States to fill up their tanks with gasoline there. That is harmful to our economy and the industry in that community.

The same thing has happened in other communities such as Fort Frances and other border cities across the country. But that is only one impact. The amazing thing is that somehow that industry is able to have its gas delivered from Canada to the United States. It is 55 cents and 57 cents a litre on the Canadian side and it is something like 32 cents or 35 cents a litre on the American side. Yet it comes out of the same tank. A lot of that of course is due to this increase in the gas tax, so that is of great concern. But that is only one aspect.

The really harmful aspect, I think, is on tourism and on the cost of living in regional areas of our country where one has long distances of 40, 50 or 60 miles a day to travel to work in whatever industries are available for employment. I think that this is a very serious and unfortunate increase in the excise tax on gasoline. These amendments seek to correct that problem.

The second area is the removal on January 1 of the refund of the excise tax. There has been a provision that rebates could be provided to farmers, to loggers, to fishermen, and to other primary industry producers. For agriculture alone it is estimated that it will cost about $100 million in the first year, which will be 1990. I think

this amendment which would strike down this proposed removal of the excise tax on gasoline is a very good move.

Clearly, farmers were required in the budget to provide almost $500 million. That covers everything from crop insurance to grain and flour transportation, to the rail branch line rehabilitation program, and to grain and crop advance payments programs, the bill that we were debating last week, Bill C–36. It includes the dairy export program to the tune of $12 million, the commodity–based loan program at $15 million and the Canadian Dairy Commission program. That amounts to $399 million. But the gas tax rebate system involves $100 million, bang, every year.

This amendment proposes to reinstate that fuel tax rebate system which has been so beneficial to primary producers. I would hope that the members on the government side might take a second look at this with a view to retaining it because the impact on agriculture alone will be tremendous.

• (1530)

There will be similar impacts on fisheries, loggers, and people in other primary industries, but clearly for agriculture, it will be extremely harmful if the government does away with that rebate provision.

We are hoping as well that the government will back down on the whole arrangement for advance payments. Every farm group in this country is opposing the removal of the advance payment provisions of Bill C–36, which was also provided for in the budget of last April. Clearly, that is a very harmful decision that the government is proposing to take at a time when farmers are taking off their crops which provides up to $30,000 of cash flow, so that the farmers are forced to deliver a crop at a time when there is a massive supply on the market driving down prices. Those two issues alone will involve the loss of millions and millions of dollars to the agricultural community.

I hope that the minister will take another look at this and consider accepting this amendment which I think will be very beneficial both to farmers and other primary producers.

The Acting Speaker (Mr. Paproski): The hon. member for Calgary Northeast on a point of order.

Mr. Alex Kindy (Calgary Northeast): I would like to withdraw Motion No. 9 standing in my name on the Order Paper as it deals with garbage disposal. I think the hon. member for Nickel Belt who seconded it agrees.

The Acting Speaker (Mr. Paproski): It is no longer the member's, the motion belongs to the House. Therefore, we must have unanimous consent. Do we have unanimous consent to withdraw Motion No. 9 by the hon. member for Calgary Northeast?

Some Hon. Members: Agreed.

Motion No. 9 withdrawn.

The Acting Speaker (Mr. Paproski): Continuing debate with the hon. member for Winnipeg—St. James.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I have been listening intently to the speakers before me. I have found their speeches stimulating and enlightening. I hope we do not hit a soft spot for the next five or ten minutes.

I think the member for Malpeque, Prince Edward Island scored some very good points talking about tourism and the effects of the increase in gasoline tax. Of course, the member for Nickel Belt can always raise the level in this House considerably with his sense of humour, but he also scored some very good points. He is the man who has been noting that there is a strange kind of silence from the other side of the House. After all, it is the government's measure. It is the government's proposal. This is what the Tories want to do to the Canadian taxpayers and yet there seems to be a conspiracy of silence from that side of the House, save one. I listened very closely to the hon. member for Calgary Northeast and the gentleman made a lot of good points. It is too bad that his colleagues on that side of the House do not listen to him more often.

As I was listening to the hon. member for Calgary Northeast, I thought there is a man who I would call a small "c" Conservative. I wonder where all the small "c" Conservatives have gone from that side of the House? Where are the small "c" Conservatives who believe in fiscal restraint? Where are the small "c" Conservatives who believe in fiscal responsibility? Where are the small "c" Conservatives who believe that the government should not be day in and day out reaching into the pockets of Canadian taxpayers and taking more and more? Where have all the small "c" Conservatives gone to? Mr. Speaker? Where is the party of Borden? Where is the party of Meighen, Bennett, Diefenbaker, and Stanfield? Where have all the small "c" Conservatives

gone? I do not know. I can tell you one thing and that is that they are not over there. This has become the party and the government of big spending. This is the party that now believes in driving the country further into debt.

It is necessary to remember that this is the party which said that it would take control of the economy. Remember those Halcyon days of the Tories way back in 1984 when they excoriated Liberals from one coast to the other. They said that we were the big spenders, that we were out of control, and how they would do wonders.

Where is the country now? The Tories certainly have not gained control of the deficit? What has happened to the debt? The debt gets bigger. It gets bigger by the day. It gets bigger by the hour. It gets bigger by the minute. In fact, it was the hon. member from Calgary Northeast who pointed out that five long years ago the debt was $170 billion. Now it is somewhere between $340 billion and perhaps as high as $370 billion. If nothing unusual happens in the next three years because after all we do expect the government to be around for that long maybe the debt will surpass the $400 billion mark. Canadians are asking themselves whether they can take it. They are already answering the question. They cannot take it. They have said a number of times that they are fed up. They are fed up right up to their teeth.

I ask where the small "c" Conservatives have gone who believe in some of these old fashioned values about guarding against spending too much and making sure that revenues and expenditures are in line; they are sort of in rhythm. I can tell you that the government on that side does not seem to believe that.

In the past five years we have seen not 10, not 20, not 30, but 31 increases in taxes. We get more as a result of Bill C–20. Of course, the biggest one is yet to come, the big whopper. The government calls it euphemistically GST or the goods and services tax. Maybe some conservative propaganda writer thought that it would go down a little better if it were called the "goods and services tax." For I think for the average or ordinary Canadian, it is just another tax grab. It is just more money out of people's pockets.

Canadians have said, and this has been demonstrated in many of the public hearings held by the House of Commons Finance Committee, that the goods and services tax will not do this country much good. Is the government listening? Does the government listen when the Conference Board of Canada says 72,000 jobs will be wiped out right off the top?

The Finance Minister himself admits that there will be an increase of inflation. It will be somewhere around 2.25 per cent. If you consider the inflation rate at 5 per cent and you add 2.25 on to 5 per cent, you are looking at an increase in inflation of around 50 per cent. I do not think that there are many Canadians who believe that we can take that kind of blow to the economy.

There will also be an increase in interest rates. An increase in inflation almost automatically leads to an increase in interest rates. The odd thing is that there is an increase in interest rates, it will follow that there will be an increase in the deficit. In the last eight to ten months the deficit has gone up because of the high interest rate policy of this government.

This government seems to go in many directions. On one side it talks about the deficit, we have to get it down. Yet, on the other side of the ledger the very thing that would exacerbate the situation, the very thing that would worsen the situation, is exactly the thing that the government does. One sometimes wonders what it is thinking about.

Government ministers talk over and over again about fighting the deficit. They ask all segments of Canadian society to do their bit. I heard the Minister of Agriculture allude to that the other day when he was talking about the need to change the legislation having to do with advance cash payments. This was the government's way of getting the Canadian farmer to do his bit in fighting the deficit. I consider that an insult. I do not think the Canadian farmer needs the Canadian government to stay up half the night thinking about ways of fighting the deficit. If there is anyone who knows anything about spending and fighting deficits it is the Canadian farmer. The Canadian farmer does not have to learn any lessons from this government. Now, of course, the government is going to increase the tax on telecommunications from 10 per cent to 15 per cent. I suppose hon. members opposite are now going to tell us that this is their idea of telling Canadian grandmothers and

grandfathers who want to talk to their grandchildren that this is their way of fighting the deficit. Maybe, if we can just take a little bit more money from you when you dare call your family, that will be your way of fighting the deficit.

• (1540)

Of course, it is a double whammy. Take more out of the taxpayer when it comes to making a phone call and then on the other side seniors are asked to pay more through the clawback. If you conducted your life well, if you worked hard, and if you retired with a half decent income, what does the government say? The government says you have been kind of naughty. You are earning too much money. We are going to take some of that back. In fact, we will take all of it back when it comes to old age security. Is that any way to run a country? Is that any way to treat people who have built this country, who have worked hard? Is that any way to treat seniors? I do not think so.

I do not think the government has the mandate, the right to impose these taxes. I ran in the election campaign last fall and I do not recall the Conservatives talking about a 9 per cent GST. I do not remember the Conservatives talking about increasing the manufacturers' sales tax another point and a half. After all, they had raised it from 9 per cent back in 1984, and now they want to push it up to 13.5 per cent. Did they talk about a 1 per cent increase in the telecommunications tax? No. I seriously wonder whether they have the mandate to do what they are doing.

In closing, that this is a nasty piece of legislation. There is only one place to put it—the garbage can.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 3 standing in the name of the Hon. Member for Calgary Northeast (Mr. Kindy).

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those in opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8) the recorded division on the motion stands deferred.

Motions No. 4 and 5 standing in the names of the Hon. Member for Yukon and for Calgary Northeast respectively, will be grouped together for debate but voted on separately.

Mr. Ross Harvey (for Ms. McLaughlin) moved:

Motion No. 4

That Bill C-20 be amended in Clause 3 by striking out lines 26 to 30 and lines 37 to 39 at page 2.

Mr. Alex Kindy (Calgary Northeast): moved:

Motion No. 5

That Bill C-20 be amended by deleting Clause 3.

Mr. Riis: Mr. Speaker, I rise on a point of order. I simply want to say to my colleagues in the government and in the Official Opposition that we appreciate their unanimous consent to allow the motion to be put other than in the name of the hon. member for Yukon, considering her other duties this afternoon.

Mr. Harvey (Edmonton East) Mr. Speaker, "a silent killer of jobs"—"a silent killer of jobs". That is how the Minister of Finance repeatedly has characterized the manufacturers' sales tax. In many respects, we on this side of the House agree with that assessment. It is, perhaps, a bit dramatic—"a silent killer of jobs"—but it is not inaccurate. The functioning of the manufacturers' sales tax has been shown, as is agreed on all sides of the house, to have a negative effect on manufacturing and consequently on manufacturing jobs in this country. So I think it is safe to say, at least to the best of my knowledge, that no member of this House supports the manufacturers' sales tax, certainly not in its current form. If there is any member of the House who wishes to rise now and say otherwise, I would be fascinated to hear it. But I would again say that to my knowledge, no one, not a single member of this House, supports the manufacturers' sales tax in its current form, assuming I can

take the government members at the word of the minister.

This is all to the good, especially as the minister has resolved upon the course of spending $7 million of taxpayers' money to tell taxpayers about the wickedness of a tax which no one likes. It is not as if he had to convince people. However, he has resolved on this course, as well.

It is interesting to note that when the Conservatives came to power in 1984, the Government of Canada collected 19 per cent of their revenues from consumption taxes. With successive Conservative budgets, however, we see this total now boosted to 25 per cent of total government revenues. It has gone from 19 per cent to 25 per cent of total government revenues being collected from consumption taxes, and this in a mere five years. Imagine what the Conservatives will be able to accomplish should they be granted—the thought is almost too terrible to contemplate—a third term. However, I have every confidence that the Canadian people in their wisdom will see that that is precluded.

Not a budget has gone by without the kind of change we find effected in Bill C-20, Clause 3. Incredibly, the very hon. member of this House who has deemed the manufacturers' sales tax to be "a silent killer of jobs" is seeking in Bill C-20 to boost that tax by a factor of about 12 per cent. It is incredible.

• (1550)

The Minister of Finance advises this House to take a manufacturers' sales tax at 12 per cent and boost it to 13.5 per cent, an increase of about 12 percent. Again, I say, we are talking, in consequence of that increase, of additional revenues to the government from this hated manufacturers' sales tax of about $270 million. That is $270 million worth more of jobs presumably killed by this silent killer of jobs.

So I must confess there seems to be, I will not say hypocrisy—I cannot believe that the Minister of Finance is capable of blatant hypocrisy—but perhaps it would not be too unkind to suggest that there is perhaps confusion at work here, especially as not a single budget has gone past under this current Finance Minister's period in that position without a rise in the manufacturers' sales tax.

Indeed, starting in 1984, when the Conservatives were elected and became the government of this country, the manufacturers' sales tax stood at 9 per cent. In their five short years in power the Conservatives have boosted this silent killer of jobs by 50 per cent. It is incredible. They say one thing, they profess one thing, and yet, oddly, they do another.

What conclusion can we draw from this? Are we perhaps to take the experience of having the Conservatives passionately saying one thing in this instance while doing the direct opposite and apply that to the other guarantees they are offering us with regard to the goods and services tax? Do you think, Mr. Speaker, it would be expedient for us to do that? I do. Because obviously any government capable of year after year after year raising the very tax which the Conservatives now say is a terrible thing that must be dealt away with is a government more than capable of taking an initial goods and services tax and, thereafter, year after year after year boosting it as well so that even if, as per Mr. Blenkarn, we wind up with a GST initially introduced at 4.5 per cent, if the record on the manufacturers' sales tax is anything to go by, it will be 9 per cent within two years. And Lord knows where the escalation finally will stop, if ever.

The advice to this House, contained in Motion No. 4, to delete those sections of clause 3 of the bill which authorize the boosting of the manufacturers' sales tax from 12 per cent to 13.5 per cent are very well advised, and I commend them to the entire House because we, at least on this side, take seriously the assessment of the manufacturers' sales tax as "a silent killer of jobs".

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Kamloops (Mr. Riis)—The Economy—Conference Board of Canada Report/National Sales Tax/Impact on Business Investment; the Hon. Member for Burin—St. George's (Mr. Simmons)—Fisheries—Impact of Free Trade Agreement

on Atlantic Canada/Crisis in Atlantic Industry; the Hon. Member for Thunder Bay—Nipigon (Mr. Comuzzi)—Transportation—Impact of VIA Rail Corporate Plan/Government Position.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed consideration of report stage of Bill C-20, an Act to amend the Excise Tax Act and the Excise Act, as reported (without amendment) from a legislative committee, and on Motions Nos. 4, 5, 6, 7, 8, 12, 13, 14, 15 and 16 standing in the name of the hon. member for Calgary Northeast.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my colleague for Edmonton East has presented very succinctly and very cogently the fallacy and the hypocrisy of a government that not so long ago was saying that the manufacturers' sales tax is this so-called silent killer of jobs, and yet they have not hesitated to prostitute themselves and take as much profits and money out of people's pockets as they can from this silent killer.

There is a lesson here to be extrapolated by the way in which the government has used the manufacturers' sales tax with all its warts and with all its problems. The government just uses it as a cash cow. It moved it from 9 per cent to now 13.5 per cent.

The government has used it to milk from the consumers of this country every buck it can get. It should make all of us quake in our boots, we should all shake in our beds, and shiver in our timbers—not all at the same time—but it should give us no ease to see how this government is moving.

In fact, there are 17 countries in the world that have put in a goods and services tax, some call it a VAT tax. Only one of the 17 to date has not increased the rate of that tax since it was implemented. The most recent example, the one this government, this Prime Minister, and this Finance Minister are constantly throwing into the faces of New Democrats, is the Government of New Zealand. The government of New Zealand introduced a goods and services tax, and I understand its Finance Minister is here appearing before the Finance Committee as I speak giving advice. Here is a country that is giving advice to Michael Wilson, a country that introduced a goods and services tax in 1986 at 10 per cent. Today that tax is 14 per cent. It is not three years old and it is now 14 per cent. It has gone up 4 per cent in three years. This has got to be a symphony to the ears of Michael Wilson, the Finance Minister. He has dreams of sugarplums dancing in his head and it is not even Christmas Eve. This guy sees here the wherewithal to raise billions and billions of dollars.

To administer the present manufacturers' sales tax, the government has 1,500 bureaucrats. What did the Minister of Revenue announce the other day? The government is going to hire 4,000 more in addition to the 1,500. What happened to the 1,500? He did not make them disappear. The 1,500 has now increased by 4,000, even though we are abandoning the manufacturers' sales tax in the proposal, so we are still keeping the 1,500. You do not want to play poker with that guy, he would pick your pockets clean. So you have 4,000 and 1,500 which is 5,500 bureaucrats. I am sure the taxpayers out there are delighted to hear that hundreds of millions of dollars will go to pay the salaries of 5,500 bureaucrats who will pick their pockets.

This is a crying shame. This government sees the possibilities. It is projecting $25 billion from this goods and services tax. Everything from cribs to coffins, from condoms to copper pots will all be taxed. Then the government is still going to collect those excise taxes. When it is finished fleecing the sheep there will be $40 billion in the treasury.

I have read that this government has sent the bill on goods and services to the printers to be printed. Yes, it has sent it to the printers. What a sham of having the Chairman of the Finance Committee traipsing around the country giving the impression that somehow or other he had a conversion and is now willing to listen to what the people of Canada have to say.

It is cynical to note that every one of those witnesses who have come before the committee all said: "I agree with this thing, but don't tax me. Tax this guy over here and except me." We saw the Burger Kings, the McDonalds. "Don't tax me, tax everybody else". Of course, big business says that. They want to continue their lunches. Do not touch the executive lunches. Food in the grocery stores are exempt. The people in the restaurants are

saying: "If you exempt them you have to exempt us but tax everybody else." Everybody says that sales taxes are the most regressive taxes. I am not satisfied that this government has searched long and hard for an alternative to the present goods and services tax. We know that it set out some guidelines: First, it was going to be visible; second, it would be simple; third, it would be integrated; and fourth, it would be revenue neutral. Now, for anybody who believed the Prime Minister when he said that, have I got a bridge to sell them.

• (1600)

This government lied to the people of Canada. The people who are responsible for economic policy lied to Canadians. What was supposed to be budget neutral has now created a bonanza for the government.

An Hon. Member: Its visible?

Mr. Rodriguez: It is visible like Salmon Rushdie, that is how visible it is. Do you believe everything the Prime Minister promises? We were not going to get free trade with the Americans when he was seeking the leadership of the Conservative Party in 1983. He said, as you recall, that famous quote: "You want to go to bed with an elephant, well you find out when the elephant rolls over what happens to you". The guy had a warped sexual mentality, going to bed with an elephant, but people believed him then and they found out what happened.

These four principles for this GST were laid down. Now we have found out that they are more practised in the breach than in the observance. The Conservatives are really after a cash cow to have in the barn because, once it is in the barn, for every 1 percentage increase, they can generate over $2 billion in increased revenues. I say to Canadians that I do not know what to do. I do not know how we stop this government from imposing what is going to be the most regressive tax system in the western world. I do not know what we have to do.

It is unfortunate we do not have recall laws in this country so that from time to time, with a certain number of signatures, we can have a vote to recall the government or to recall a Member of Parliament. It is unfortunate that there is no check and balance in the system. All I have seen since we started this prelude to the full-blown debate on GST are Tories who think it is a big joke and that somehow they are putting one over on the Canadian people. They are really doing a good job. People are writing letters to the Minister of Finance, signing petitions, all in good faith, thinking somehow or other all of these entreaties and indications of their opposition somehow persuades the government not to pursue this path. Unfortunately, they will find out, as I have, that they are just shut up after a short period of time.

The Acting Speaker (Mr. Paproski): I regret that the hon. member's time has expired.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I do not want to take a whole lot of time of the House, but I can only sit here so long. I just want to say to senior citizens, regardless of what the NDP told you last November, you still have your pensions and your medicare. What they are doing today is telling the government to do what they tell it. We listen and we hear and we understand. I think the NDP hope that Canadians do not understand because what the opposition is asking for is a return to the kind of government that was in this country from 1972 to 1984.

Mr. Milliken: That is right, we are.

Mr. Hawkes: That is right, he says, we are. That was a minority government in 1972 and it had a philosophy. It wanted to get re-elected. It does not matter what you have to do as long as the end goal is to get re-elected, power for power sake. What did they say to the Canadian people? They said: "We will spend, we will start all kinds of new programs. We will spend, and spend and spend. Then we will do another favour for Canadians, we will lower the tax rates."

That is the argument we are hearing here today. You do not have to tax. Be popular, spend, spend spend. Do not tax. What does that do? It does some great things for two months, three months. Everybody in the gallery today: "Use your credit card. Go out, enjoy. It will be a great supper. Spend $100 on a meal. It will be a wonderful supper."

Mr. Boudria: On a point of order, Mr. Speaker, I am sure that you have noticed and that you are quite well aware as well that one should not address the public

gallery when one makes remarks in the House of Commons. I am sure that you, Mr. Speaker, would want to remind the House of that.

The Acting Speaker (Mr. Paproski): I am sure that the Whip of the government party is well aware of what he should be doing in this Chamber. He has been around here for quite a long time and I am sure he will take heed.

Mr. Hawkes: Mr. Speaker, I thank the deputy Whip for the other side for bringing that to my attention. When I glanced up and saw the look of disbelief as they heard the speeches from the other side, I guess it just compelled me to stand and talk.

Everybody understands that when you borrow, you have to pay back, and when you borrow even more then you have less.

Mr. Gauthier: This is a tax bill.

Mr. Hawkes: Yes, it is a tax bill, as my friend across the way states. You are right it is a tax bill. Taxes are not popular.

Mr. Gauthier: Nothing to do with borrowing.

Mr. Hawkes: Borrowing is popular. Taxing is not. We suffered for 12 years from that philosophy of borrow, borrow, borrow, do not tax. Increase expenditures and we will be popular. Well, the chicken has come home to roost.

When I was first elected to the House, 12 cents out of a revenue taxation dollar went to pay interest on the debt. It is 35 cents today. We had 88 cents for pensions, medicare, VIA Rail and all those things. We have 65 cents today.

We hear members on the opposite side stand in the House and fight us on the cuts. The member for Nickel Belt says: "Do not cut 12,000 civil servants". That is what he has been saying for four years. Then today he said: "Do not hire 2,500". How can you have it both ways? Only the NDP can have it both ways. They are not responsible. They are an opposition party. There is a lot of fun to be had in opposition but there is a lot of hard work in governing.

A lot of decisions that have to be made are tough decisions. We try to make them with as much humanity and as much compassion as we can in the circumstances. We try to examine the research evidence to see how we can cut expenditures and how we can raise revenue, how we can get rid of 12 years of mismanagement of this economy and return the country to health. We have not done too badly.

Since free trade came in 209,000 Canadians have jobs. They are not on the welfare rolls, they are not on unemployment insurance today. That is 209,000 in a brief nine months. There are 1.5 million Canadians who have a job today who did not have a job five years ago. That is not bad management. Let us make the contrast. I say to all of the senior citizens who may be watching us today: "Out of your lifetime of experience in this country, after listening carefully to the Opposition about how the country is in trouble and owes more money than it should, what would you do?" What would their 90 years, 85 years, and 80 years of experience tell us to do? They would say: "Cut your expenditures, but don't cut out food. People have to eat. Don't cut out shelter. Don't cut out health care. The basics of life have to be taken care of, but cut some of your discretionary spending, as much as you can". They would say to continue to look forward, continue to cut out waste. But you have to get some extra income. You can't continue the debt spiral.

We cannot buy a house with a $20,000 mortgage and make it $21,000 the next year, $25,000 the year after that and $30,000 the year after that. Your mortgage cannot grow. To prepare for your retirement your mortgage has to go down. There have to be tax changes.

• (1610)

The Member from Edmonton East said: "silent killer of jobs". Well, it is getting noisier. People are beginning to understand that the manufacturers' sales tax is a cancer. It has been around since 1924.

Mr. Milliken: You keep raising it.

Mr. Hawkes: He says because you keep raising it. Of course. We have to raise taxes, but with a little co-operation on the other side we can get a better tax in place that does not kill jobs but creates jobs, provides a stable source of revenue, and reduces our need to borrow because more Canadians will have jobs, more Canadians will be paying taxes, fewer Canadians will be dependent on welfare, fewer Canadians will be dependent on unemployment insurance.

That is what this government's policies are all about. Canadians are told that taxes do not have to be raised, that expenditure cuts do not have to be made. I ask them to contrast that with the reality that that creates debt and debt chokes us all. Debt creates bankruptcy whether we

are talking about a nation or a little business or a homeowner.

This year 1989 is the time for all of us in the Chamber who care about this country to say: "It is time to cut expenditures, it is time to raise taxes. It is time to get the debt under control. If you are listening to any other message, you are listening to charlatans who want to drag you into a bigger and bigger pothole, where you are going to drown."

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I would like to respond to the hon. member's comments on this legislation. He said that there are 209,000 Canadians who have a job today who did not have one before the Tory government took office. I would like to say to him that there are also 1.2 million children living in poverty in Canada who should not be living in poverty. I would like also to bring to the attention of this House that yesterday while we all celebrated Thanksgiving, while we had a wonderful dinner with our families and shared the weekend with families and friends, thousands of Canadians volunteered their time at food banks collecting canned goods to distribute over the next few months. In Toronto alone, 2,000 volunteers collected 850,000 pounds of food.

The tragedy of this is that every month more and more Canadian children are joining those already living in poverty.

The Daily Bread food banks in Toronto feed 84,000 people. Of these, 17,000 are children; 6,000 are physically challenged and 4,000 are pensioners. Yet we have a government which says that fewer Canadians will be living in poverty.

The member said fewer Canadians are living on unemployment insurance. When the government says that fewer Canadians will be living on unemployment insurance, it means it because what it is going to do is kick those moms and dads off of unemployment insurance to ensure that more children are going to the food banks.

I would like to ask this government and members in the House to consider that what we have in Canada is institutionalized poverty. What we have in Canada is institutionalized food banks. We have a mean-spirited government that, in addition to this kind of taxation, is introducing cuts in unemployment insurance, cuts in support to the family network, no child care, clawbacks in pensions and clawbacks in child allowance. Yet it is saying: "Look what a wonderful job we are doing in correcting the economy".

The hon. member who spoke before me talked about how hard one must work in government, assuming that those of us on the opposite side of the House do not work hard. Is this government planning to continue working very hard until all children in Canada are living in poverty, taking back as much as it can from the average Canadian, taking back as much as it can from working men and women to ensure that its corporate Bay Street buddies do not have to pay their share? That is what we are talking about. We are talking about who pays what share. We have not seen one step from this government to ensure that the profit-making corporations in this country pay their share. What we have is yet more taxation on those who are already overtaxed.

I noticed in my experience with the unemployment insurance committee that the government listens only to those to whom they want to listen in this country. I have received letters in from men and women in my riding who happen to share political views in terms of party affiliation with hon. members from the other side of the House.

Mr. Rodriguez: You mean Tories.

Ms. Langan: Tories, that is who I have received letters from. I have received letters from Tories who say: "This goes too far. We are tired of it, we are sick of it. We are not prepared to lose free enterprise to the Americans. We are not prepared to have our children taxed until there is no food available for them and they have to go to food banks. We are not prepared ourselves to be taxed and we are seriously considering where our political affiliation will lie in the future".

It may be that those people will not be coming to support the New Democratic Party. But what they will be doing is supporting a party that will indeed listen to them; be it the Reform party, be it the Christian Heritage party, be it any one of those parties.

An Hon. Member: The Liberal party.

Mr. Rodriguez: They listened to the Liberal party one time.

Ms. Langan: They listened to the Liberals one time and as you well know, Mr. Speaker, there is not a Liberal party in British Columbia so they have a choice of the Reform party or the Christian Heritage party. People who have long supported the Tory party have said "enough is enough".

Small business people in my riding are saying: "Would you please convey to the House of Commons that we work very hard in our small businesses, and we struggle very hard". They are facing increased taxation on things like gas, fuel, supplies, our employees' uniforms, all of those things that add to the burden and of the small margin which makes it impossible for a business to work. I have a daughter who is a young restaurateur in the riding next to mine. She is struggling.

• (1620)

She is a free enterpriser and she is struggling.

Mr. Epp: Good grief, a free enterpriser!

Ms. Langan: She is a free enterpriser.

Mr. Epp: She will vote Tory next time.

Ms. Langan: My daughter will never vote Tory. My daughter is a socialist with a conscience. She will be a rich socialist with a conscience. I have no problem with that.

Some Hon. Members: Oh, oh!

Ms. Langan: We have too few of them to put you folks in your place.

An Hon. Member: Unlike them, she will be willing to pay her taxes.

Ms. Langan: She does not mind paying her taxes as long as they are fair taxes.

She is struggling to begin and get established in this small business. Every time she turns around there is a new tax. She said: "I wouldn't mind paying those taxes, if General Motors was paying its share, if the big business community was paying its share, if the Royal Bank that I have a loan with is paying its share, I would not mind a bit."

This is a young woman and she will be prepared when she is rich to pay her share. She believes now that they should also pay their share.

I would like to conclude by going back to my opening remarks. It is that 1.5 million children in this country live in poverty. I am getting mighty tired of hearing the hon. members from the other side of the House bleet about how many jobs they have created when that many children in this country are hungry.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I will be very brief. I would not have participated at this stage of the debate had it not been for the speech from the Hon. Member for Calgary West who tried to suggest in the course of his remarks that somehow the defeat of this bill would return us to the bad old days of 1972 to 1984.

Those days today seem like Halcyon days compared to what Canadians had to endure since 1984 with the present administration and its incompetent management of the economy of this country. Indeed, I would like to look at the facts that the Hon. Member for Calgary Northeast pointed out in his speech this morning. He claimed that the deficit in 1984–85 was $38 billion. Anyone would think that if you are going to reduce a deficit, you would increase taxes.

There are two ways of going about it. You can either increase taxes or reduce expenditures. This government, with great trumpeting and fanfare, says that it is doing both. It increased taxes all right. It increased taxes by $42 billion. Any reasonable person would think that if you have increased taxes by $42 billion, you must have rid yourself of the deficit. Has the deficit gone down? It has gone down only to $30 billion.

If the government has increased the taxes $42 billion, one would think that the deficit would have gone down. But it stayed very large.

The government has doubled the national debt in four years of incompetent mismanagement. The member says that Canadians do not want to go back to the bad old days, 1972 to 1984. Canadians are crying out for the bad old days compared to what they are getting from this government with its VIA Rail cuts and that sort of thing.

Let me speak to the amendment that is before the House. I want to clarify one thing. The motion that has been moved by the Hon. Member for Edmonton East on behalf of the Hon. Member for Yukon deals with two amendments to the proposed bill before us.

The amendments delete the 13.5 per cent rate from the bill. The hon. member does not seek to delete the new 19 per cent tax on wines and the new 9 per cent tax on building materials. I would have thought that the Hon. Member for Kamloops whose riding I am sure depends heavily on the forest industry and the manufacture of building materials would have opposed this 9 per cent tax. Yet, the amendment proposed by the Hon.

Member for Yukon does not delete that portion of the bill.

I would not want to think that her amendment was in fact an approval of these vicious taxes. I can only assume that he supports the Hon. Member for Calgary Northeast in trying to get rid of the entire clause instead of just getting rid of the portion that deals with the 13.5 per cent. I know that a tax on wines might be abhorrent to the hon. member. Personally I do not find it so bad. I prefer to see none of these taxes increased and I think that is the position of our party.

If the motion that has been moved by the Hon. Member for Yukon is only to remove the 13.5 per cent rate and not to oppose the other increases at the same time, I think they might want to clarify that point to the House because, frankly, I prefer not to support that motion but support the Hon. Member for Calgary Northeast in his views that we should get rid of the entire increase altogether.

Mr. Riis: Mr. Speaker, I can clarify that for my hon. friend very quickly. I think that if there has been some consistency in this debate—and there has been some inconsistency—it has been that the New Democratic Party opposes this tax. We oppose the use of consumption taxes, of course, as our various reports have made very clear.

I must say that it has not been quite clear whether or not the Liberal party opposes some other consumption tax. Maybe 9 per cent is too high, but maybe 7 per cent is okay, maybe 4 per cent, or maybe 3 per cent. I am simply saying that I have not heard that clarified. I do not want to allege any motivations here unnecessarily, but perhaps we could have this clearly stated later.

Let me make this clear, Mr. Speaker. This move to increase the manufacturers' sales tax once again sounds to me rather peculiar because I, like my colleague from Edmonton, heard the Minister of Finance from time to time suggest that the manufacturers' sales tax is a killer of jobs. He said that it kills jobs, it kills economic development, it kills economic enterprise. It kills opportunities to develop new businesses and, by definition, create new jobs. He said that and yet, what are we doing today? We are increasing the tax. We are increasing the job-killer tax.

Is it not rather hypocritical for a government to say that this tax is a killer of jobs and the next day ask us to pass legislation not only to keep the tax, but to increase the tax? Back in 1980 and 1984 this killer of jobs tax was 9 per cent. We all agreed that this tax had to go. Every parliamentarian felt that the manufacturers' sales tax was a bad tax. It was ill-conceived. It was biased. It was discriminatory against that sector of the economy that, in the past at least, tended to create the most jobs.

What does the government do when it is told we dislike this tax? I remember during the campaign in 1984 when the finance minister said the government disliked this tax and it had to change. Now we assume he meant for it to go down. He meant up, but that was not clear at that time. The Conservatives said: "We have to change this tax, so we will put it from 9 per cent to 10 per cent, up to 11 per cent, up to 12 per cent, and now up to 13.5 per cent".

This is not the way to encourage economic development in Canada. When a New Democrat says it has to change, it means it has to go. That is what we mean. When a Conservative says it has to change, it means it has to go up even higher. It is a Party of tax, tax, tax. It then picks the sector of the economy that in the past has been the job generator and taxes it even harder. They pile taxes on top of taxes and then at the end of it all say they have an even greater idea. They are going to slap a tax on everything: haircuts, cribs, coffins, reading material. Recognizing that we have five million people who are functionally illiterate, we will be the only country in the world that is going to tax reading material. If they buy a book, we will tax them; a magazine, we will tax them; a journal, we will tax them; a newspaper, we will tax them too.

What kind of government would do that to its people? What kind of government would tax children's clothing? At this time of year, when you have to go out and buy new snowsuits, buy new longjohns and get geared up for the long winter, the Conservative government says that as soon as it gets this tax in place it will tax those kids' snowboots and snowsuits. That is cruel. That is a cruel, mean way of taxation.

At the same time that this government wants to tax those mothers who go out and buy their children's snowboots, General Motors does not have to pay any tax. It says: "Oh, shucks, why force these folks to pay taxes at all? General Motors, the Royal Bank of Canada, Nova Corporation, or Cadillac–Fairview, why ask these big corporations to pay any tax at all? The Conservatives say they would rather tax the mother going out to buy clothing for her children for the winter. fill Now, if that is not a cruel, mean, dastardly tax, I do not know what is. It is actually hard to believe.

• (1630)

I cannot imagine how Conservatives can be sitting here today asking us to vote on legislation to increase the manufacturers' sales tax when for the last few weeks all we have been hearing across Canada is that we have to do away with this tax. We have to get rid of it because it is a killer of jobs. Here we are today responding to the Minister of Finance and he says, not only should we keep the manufacturers' tax, but we should increase it to 13.5 per cent.

One can go on to talk about hypocrisy and about the big lie. The chairman of the finance committee at every single meeting when people ask why we have to have a sales tax says this killer of jobs tax, the manufacturers' tax is bad, and is harmful to the economy. Does he know what the Minister of Finance is doing today? He is actually increasing this horrible tax. These two fellows should get together and chit–chat about this so that at least the same lie is going out. We cannot have one person saying one thing and the other person another which, of course, is now becoming unfortunately an all too familiar theme from the government.

I can simply summarize by saying that we are opposed to this increase in taxation. We do not think that increasing the sales tax makes any sense. We do not think that having it makes any sense at all and for that reason, I would encourage my friends opposite in the Conservative party, if they really believe that this manufacturers' sales tax is as bad as it is, for goodness' sake to vote in favour of this amendment to at least not increase this sales tax and to support their hon. colleague's amendment to do away with it totally.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, in my time in this Chamber and also in the Newfoundland House of Assembly, I have heard some entertaining speeches but none more so than the one I heard just a few minutes ago from the Whip for the government, the gentleman from Calgary West. It had a familiar ring. I wondered where I had heard the same general theme before.

I found myself thinking about the exclamations of Little Red Riding Hood when she saw the wolf in her grandmother's bed: "What great big ears you have, what a big nose you have, what big teeth you have," and so on. I saw the hon. member for Calgary West trying to be one thing but looking in reality like something quite different.

If you reflect on what he said, Mr. Speaker, the essence of what he said is, "Do not be fooled by the big ears, do not be fooled by the 13.5 per cent. Putting the tax from 12 per cent to 13.5 per cent and over the life of this government, putting the tax from 9 per cent to 13.5 per cent is really the way we over here reduce taxes. It is the way we make things easier on you. You are not really seeing big ears or big teeth at all. You are really seeing a very friendly, paternal act here. We are trying to help Canadians with our tax reform."

I realized in the same moment, when I got past thinking about Little Red Riding Hood, that the gentleman from Calgary West had not often spoken in this Chamber and I realized why, of course, when I looked at the mover of the amendment. The gentleman from Calgary West is so busy these days whipping the gentleman from Calgary Northeast that he has not had much time to make speeches about tax increases or decreases, whichever you choose to characterize them as. I realized also, of course, why he has found it necessary to try to whip the gentleman from Calgary Northeast.

If I may say so, to the gentleman from Calgary Northeast, for all his having been whipped, does not look to be in too bad shape today. I think he is still fairly creative with his amendments and I commend him for speaking out on this very important issue.

I once advanced the perhaps novel suggestion that we ought, in the political party system in this country, to adopt a page out of the books of the National Hockey League, in which there is a business of trading people from time to time. As I looked around the chamber, I could see that various parties might benefit from such an

arrangement whereby we would look at our caucus and find people not of our philosophical persuasion and see if we could not trade them to where they more properly belonged. I could see certain people figuring prominently in such a trade, certainly the member for Calgary Northeast. Certainly, my good friend from Nickel Belt would be sitting a lot closer to me physically. He already sits very close to me philosophically.

Mr. Rodriguez: To your left.

Mr. Simmons: He is to my left, charitably so, but a kindred spirit. If we ever have the trade, he will be much closer, I assure him. The gentleman from Calgary Northeast, of course, will soon have to make a move.

Lest this whole business be seen as being just a little too jocular, let me make the point. The point is that there are people in this House who, irrespective of party label, see this latest tax increase as the wrong way to go. I have real difficulty with it and with the rhetoric coming from the official spokesman for the Tories on this one. It is the gentleman from Calgary West who best summarizes the contradiction, when he, in effect, says that this increase to 13.5 per cent is our Thanksgiving present to you, it is our way of helping you. That is the problem with the whole mindset of this government. It does not, first of all, understand what the need is out there in the country. Therefore, how can it administer to the need when it does not understand what the problems are?

When I stand in this Chamber on behalf of thousands of fishermen and plant workers and tell government members that our fishery is on the verge of collapse in Newfoundland, for example, the minister gets up the same day and tells us everything is in a state of prosperity, to use his words. When the gentleman from my own province, the member from St. John's East, gets up and assures us, against the wishes of his constituents, I may say, that everything is fine and rosy in the fishery, I begin to realize that the Tories are out of touch with the reality out there, whether it is the reality of the fishing industry, the reality of the needs in agriculture; the reality of the unemployed or the realities of small business. They are so out of touch, is it any wonder that on this one they have this warped idea that somehow they are going to help us all by increasing the manufacturers' sales tax to 13.5 per cent.

The Minister of Finance raves on about taxes and the need for tax reform. Where has he been for the last four and a half or five years when this tax has been jacked from 9 per cent to 10, to 11 to 12, and now to 13.5 per cent? The manufacturers' sales tax that government members have been maligning and rightly so, has been one of their chief tools for raising additional revenues during the last four and a half years. It is not the only one. They have had all together 31 tax increases. That is not bad considering they have only been in office fewer than five years.

Earlier today, we dealt with amendments relating to the business of gasoline tax as it affects fishermen. Once again, the fishermen and the farmers are making a very important contribution to our gross national product. Yet, who is it who is being asked to bear the brunt again? It is the good old fishermen and the good old farmers. It is another example of how government does not really understand how to keep people working. The list goes on.

Mr. Dionne: The government does not have a word.

Mr. Simmons: I am just getting a signal here from my good friend from Miramachi who always has better ideas than I have, so I steal them whenever I can.

• (1640)

Mr. Epp: It's not tough.

Mr. Simmons: Mr. Speaker, the minister from Provencher comes briefly awake. We welcome him to the debate. We have been here all day, actually, trying to stop this nefarious scheme that the government is trying to push through. We welcome him to the cause. He comes late but he is here, and I thank him.

Mr. Dionne: In body, if not in spirit.

Mr. Simmons: He is embarrassed. If ever there was a man of integrity, it is the gentleman from Provencher. We all know that. He is embarrassed by this. How he still sits there and allows this double-talk to go on all around him, I will never know, the very double-talk we have been talking about in the last few minutes. There is one man, Mr. Speaker, that you and I, Sir, have predicted would have bolted long ago out of basic integrity. Basic integrity would have moved him to this side. Maybe when I am through, now that we have his attention and he is fully awake the minister will probably get up and rationalize this conundrum for us, why it is that the government says it is by increasing taxes that it does us a favour. That is a puzzle. I am sure it is a puzzle for him

too and I invite him to take his place and explain it all to us.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 4 standing in the name of the Hon. Member for the Yukon.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 5 standing in the name of the hon. member for Calgary Northeast.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8), the recorded division on the proposed motion stands deferred.

We are now at Motions Nos. 10 and 11 which will be grouped for debate and voted on as follows: an affirmative vote on Motion No. 10 will obviate the need for a vote on Motion No. 11. However, a negative vote on Motion No. 10 will require a vote on Motion No. 11.

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. There was a misprint in the *Order Paper*, and where it says biodegradable laundry detergents, it should read non-biodegradable laundry detergents.

Mr. Gauthier: Mr. Speaker, on the same point of order, first, as in prior motions, we would be agreeable to giving our unanimous consent, which is required in this case, for someone from the party on my left to move that motion in its proper form and wording. If he or she wants to move it with non-biodegradable, it is up to him or her to make the motion at this time.

Mr. Rodriguez: Mr. Speaker, seeking the unanimous consent of the House, I move:

That Motion No. 10, standing in the name of Ms. McLaughlin be amended to read after Clause 8, "non-biodegradable laundry detergents".

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Mr. Hawkes: Mr. Speaker, if indeed there is an error, we have absolutely no objection to correcting the error. The Chair might want to look to see whether or not that change is in order.

Mr. Riis: I appreciate the comment made by the government Whip, and I suspect that with unanimous consent it would be in order. I just want to take this opportunity to thank the hon. member for Ottawa—Vanier for his suggestion for both the government's as well as the Official Opposition's co-operation on this change.

The Acting Speaker (Mr. Paproski): I see no problem with that. We have unanimous consent.

Mr. John R. Rodriguez (for Ms. McLaughlin) moved:

Motion No. 10.

That Bill C-20 be amended in Clause 8 by striking out line 10 at page 5 and substituting the following therefor:

"8. Non-bio-degradable laundry detergents."

Mr. Alex Kindy (Calgary Northeast) moved:

Motion No. 11

That Bill C-20 be amended by deleting Clause 8.

He said: Mr. Speaker, talking about this manufacturers' sales tax, as has been said prior, in 1984 it was at 9 per cent and now we are trying to raise it to 13.5 per cent. It is certainly not going to help our industry to compete internationally and domestically. This is why I think it is essential that this tax be defeated. The government has not shown restraint.

Mr. Gauthier: Mr. Speaker, I regret having to interrupt my friend but we are dealing with Motion Nos. 10 and 11. Both motions deal with the same subject, that is Clause 8, and with the proposal that the sales tax be imposed on laundry detergents at the wholesale trade level.

If I understand the purpose of both the NDP motion and motion of the hon. member from Calgary, one wants to amend laundry detergent to non-biodegradable laundry detergent and the other wants to delete the whole clause. We are speaking to both motions and I fail to see the relevancy of the remarks of the hon. member right now. That is why I am trying to get you, Mr. Speaker, to tell me if indeed relevancy is being applied.

The Acting Speaker (Mr. Paproski): The Hon. Member just began speaking. With the first two or three sentences, I regret that I am not sure whether he is being relevant or not. If the hon. member will give him another two or three minutes, then I will naturally watch very closely.

Mr. Kindy: I think whatever raises taxes is relevant. The Minister of Finance talked about the growing public debt and said that we have to react to it and therefore increase taxes. Those taxes would be only temporary until 1991 when the goods and services tax comes into effect. The goods and services tax is certainly a major component of the Budget speech of the Minister of Finance. I would like to elaborate on that specific tax because it is part of the big scheme of raising taxes.

• (1650)

The goods and services tax is certainly inflationary. It is regressive because it punishes low-income people, and it does not pass the test of fairness. A study in the United States showed that it creates bureaucracy. As I said prior, we would have to increase by about 4,000 the number of employees at Revenue Canada.

The Acting Speaker (Mr. Paproski): The hon. member just heard the Hon. Member for Ottawa—Vanier speaking with regard to relevancy. I would hope that he would get to the cause and not just speak in generalities. This is both on his clause and on the clause of the Hon. Member for Yukon.

Mr. Kindy: Mr. Speaker, creating more of a bureaucracy is not going to help the taxpayer. It is not going to help the housewife who has to buy detergents. It certainly is a big factor in reducing government spending. Therefore, I would suggest that we should delete as a package Bill C-20 so that there would be fairness to the consumer.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I would like first to respond to the comment about housewives who have to buy detergent and suggest to the House and to the hon. members within, particularly those of the male gender, that I believe that we have passed the day when only housewives buy detergent. I believe we have also passed the day when only men are concerned about the environment. On this point is where the hon. member who wants to delete this motion and the people on this side of the House are prepared to part company. I think it is very very important that we take this fine opportunity to set an example and to get really serious about the environment.

We have launched a study about the environment in which we are working here in the House of Commons. We have talked on all sides of the House about the environment across this country and how vitally important it is. Here we have a clause put forward by the Hon. Member for the Yukon suggesting that we only apply this tax to non-biodegradable detergents. What an excellent opportunity for us to show that we are serious about what happened in our environment.

I would like to see this apply to not only non-biodegradable detergents. It is a real pity that this clause does not allow for us to include taxation on anything that is unfriendly to the environment, but we are faced with just this amendment on non-biodegradable detergent, and I think that hon. members on the other side of the House, if they are serious about the laundry and if they are serious about the environment, would vote in favour of the amendment of the Hon. Member from the Yukon.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to have the opportunity to speak this afternoon in this debate. Essentially what we have is a motion proposed by one of our colleagues, the member for the Yukon, giving in fact a special status to biodegradable laundry detergents and our colleague from Calgary wants to give that status to all laundry detergents by removing the clause in question.

I want to speak in favour of the amendment proposed by our colleague from the Yukon. I do believe it is time that we started to show in a very tangible way that biodegradable and otherwise environmentally friendly products be made more attractive to the consumer. Certainly one way of doing that is to have less taxation on products which are environmentally friendly. This government across the way pretends that it is interested in the environment. I see the former minister of health, now the minister of energy, listening attentively to my remarks this afternoon on this very important topic. He will know as the minister of energy how important energy conservation is. I know that he cut back in certain areas in the past where people were doing research in areas of solar energy. The minister cut back the funding in that area while at the same time the government was pretending to be interested in the environment.

Last summer, the Prime Minister attended the G–7 Summit of the Arches held in Paris and he told the rest of the world how they should be nice people like them, them being the present government, who are allegedly interested in the environment. Of course, this was at the same time as the government was preparing to cancel half of VIA Rail, at the same time as the government was cancelling energy projects involving solar energy, but now, today, the government across the way has an opportunity in a very small way to show that it is interested in the environment. The test is going to come momentarily for those Tories across the way as to whether or not they are interested in supporting a clause which provides incentives for people who want to purchase biodegradable laundry detergents as opposed to other kinds.

The amendment proposed by the member for the Yukon would in fact provide that kind of encouragement to anyone who wants to purchase the product. It is my hope that the government will see to it that the amendment is adopted and that we can move ahead in the future into more and more areas in which we will provide tax incentives or other forms of encouragement so that consumers can buy products more environmentally friendly than the ones they are purchasing now.

I will allow the rest of the time for my—

The Acting Speaker (Mr. Paproski): I regret that the hon. member's time has expired. I know he is looking at the clock there but my clock says that it is five o'clock.

It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS BUSINESS

[*English*]

MINING

EXPORT OF UNPROCESSED MINERALS

Mr. Cid Samson (Timmins—Chapleau) moved:

That, in the opinion of this House, the government should consider the advisability of developing programs and policies to promote further processing of all extracted materials produced by Canadian mines in Canada, and to discourage the export of unprocessed minerals from Canada.

He said: Mr. Speaker, I rise before this House to present a motion and I would urge my colleagues on all sides of the House to take notice of its intent which is to propose a new way of looking at the use of one of Canada's natural resources. The motion is as read by you, Mr. Speaker:

That, in the opinion of this House, the Government should consider the advisability of developing programs and policies to promote further processing of all extracted materials produced by Canadian mines in Canada, and to discourage the export of unprocessed minerals from Canada.

Canada's minerals and metals industry account for about 3 per cent of Canada's gross domestic product and almost 20 per cent of total merchandise exports. The industry provides a livelihood, directly or indirectly, for hundreds of thousands of Canadians from Newfoundland to British Columbia.

Some 120 communities in Canada depend largely on mining or mineral processing for their livelihood. In 1988 the mineral industry continued to be one of the two most important primary industries supporting the Ontario economy. Approximately $50 million was spent on explo-

ration in the Yukon and in far northern British Columbia in 1988.

In British Columbia, there were increases in the value of mineral production in 1988 because of new gold mines and increased prices for zinc, copper and coal. In Manitoba, the exploration expenditure levels were maintained at 1987 levels at an estimated $50 million. All in all, rising base metal prices and the benefit of sustained productivity increases resulted in an earnings boom for Canada's mineral industry.

The *Canadian Mining Journal* even said that earnings for most companies in the base metal industry would be the highest in 10 years. This sounds pretty good, great in fact. However, this cycle of good news was preceded by a severe recession in the economy and the mining industry reacted by tightening up its operation. Of course, one of the measures that was used to cut costs was to reduce the labour force.

Falconbridge Limited, the second largest nickel producer in Canada, reduced its workforce by 38 per cent at its Sudbury operation. The workforce was almost cut in half from over 4,000 in 1982 to roughly 2,500 at the end of 1987. Inco Limited, the largest nickel producer in the world, reduced its workforce by about 41 per cent.

Now that times are good, as I outlined earlier, we must take another look at how these companies, with some guidance from the government, could help in sustaining Canada's economy and provide more security for Canadians who depend on the industry for their livelihood.

The Department of Industry, Science and Technology acknowledges in one of its documents that Inco has only recently resumed efforts in product development while Falconbridge has focused its R and D efforts in improving productivity, which does not create new jobs.

My motion proposes that we discourage the export of raw materials and I want to address this particular point in a little more detail. Mineral resources can be the basis for advanced processing activities and for the manufacturing of industry inputs. We must increase the integration between sectors and promote greater research and development activities while increasing Canadian control if we are to build these forward and backward linkages from the resource base.

The Department of Industry, Science and Technology has not done enough to promote synergy and create links between the primary sector and the manufacturing sector. More efforts must be made in that department.

The Algoma Steel Corporation announced plans this summer that would in effect take these matters into consideration. There is a strong possibility that it will close its mining operation in the town of Wawa. However, it is also looking into the possibility of the production of a new sinter product or of their sinter plant. Its plan consists of processing mill scale, a waste material that comes off the surface of steel, and blending it with other waste materials or ore.

It is to hope that the government would encourage such initiatives and provide the support needed in order for these types of projects to succeed. In this case alone, the jobs of 300 people are at stake. In fact, the future of the whole community depends on it.

Under the Ontario Mining Act, the Ontario government has the power to require companies to increase further processing of ores in Canada but it has allowed a number of specific exemptions. Falconbridge still exports nickel copper matte to its refinery in Norway while Inco ships nickel oxide, sinter and nickel sulphide to its plant in Clydach, Wales, for processing.

Take the case of copper mining in British Columbia. This is a highly unstable industry in which multinational companies produce concentrates solely for export. The copper is currently smelted in B.C. though the development of a smelter and of manufacturing facilities for the production of copper wire could be established. It is argued by some that the current situation, where more than 40 per cent of copper concentrates are shipped to foreign up-grading plants, is a good situation because there is a huge export market available in Japan and in Europe.

Let us look at how Japan is protecting its own economy. In Japan and most European countries tariff barriers exist against the importation of metals as refined products because they wish to protect their domestic refining and smelting industry.

I did mention earlier that some argue that since there is a market for copper concentrates, and given the cost of setting up new smelting plants and starting up new manufacturing plants, why bother? Why, indeed.

It is not hard to conceive that the earth does not possess an inexhaustible source of goods for humans to use and sometimes abuse, and that we all must work toward a sustainable form of economic development that would take into account future generations. We do not want to leave behind only stumps where trees used to grow, or gaping holes with all the richness they once contained spent and gone. We must make intelligent use of these resources that are present in a finite amount.

By promoting value-added products we then extend the cycle, and this is the kind of rationalization that would provide a much needed stability. Why not make use of realistic means to promote these types of endeavours? Why not introduce a two-price system so that we could waive or reduce mineral royalties on copper moving to a smelter? We could also make expiring export contracts available at an attractive rate to companies willing to construct a smelter and extend financial assistance to a company which wants to build one. Of course, some of these options depend upon the exercise of provincial powers over resources, but surely we can work toward a national agenda on these issues.

We can only deplore that decisions like these that Canada must make for its benefit are clearly undercut by the free trade deal. In effect, the terms of the trade deal have undermined the bargaining power of the B.C. government **vis-a-vis** the large international mining companies which dominate the industry. We cannot let this state of affairs continue. Canada must look into the protection of its economy and its resource rather than selling out to the highest bidder.

I would also like to add some comments on the effect of mining on the environment. Clearly, mining companies benefit from our natural resources. Many communities in this country, including communities in my riding of Timmins—Chapleau in the northern Ontario region, depend on the mining industry for their livelihood. However, the people living in these communities also have the right to a cleaner environment and a safe workplace.

I would like to see more measures adopted in order to protect the lives of the families living in these areas who see their rivers polluted by mining residues. I would like to see more research done so that air pollution can be controlled. I would like to see more measures to ensure safety in the workplace.

This motion is intended for the discussion of such concerns, as well as to promote a more rational, more stable and also a more sustainable economic development within industry and beyond. There are profits to be made from the exploitation of our mineral resources. The mining companies' present financial situation can attest to that. I would like to see some of those profits reinvested and work toward a stronger commitment, toward a cleaner and more sustainable use of our minerals.

[*Translation*]

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the Government of Canada supports further processing of minerals extracted by Canadian mines. The big question is whether the cost of government intervention in this area would be compensated by the ensuing benefits. Mr. Speaker, I believe the answer is yes.

The situation in Canada is, briefly, as follows: Nickel ore is smelted and refined in Sudbury and Port Colborne. Canada processes its own copper ore and imports ore for smelters in Flin Flon, Rouyn-Noranda and Murdochville, to name a few.

Canada has 27 steel plants and non-ferrous metal smelters which employ 75,000 Canadians. Gold is processed in Canada to the final product stage, including maple leaf gold coins. Canadian uranimum is refined before export. Our aluminum refineries are of international caliber, processing bauxite which is entirely imported.

• (1710)

Mr. Speaker, we must also understand the market Canada's mining industry has to contend with, a market that is very competitive and subject to international pressure. The Canadian mining industry is not in a privileged situation.

If we were to try to make further processing mandatory, this would also increase the cost of Canadian products. Buyers would simply go elsewhere, and we might be doing irreparable harm to the healthy industry we have now.

The mining industry is now in a period of growth. It is firmly established on the international market. This is partly the result of the Canadian Government's mineral policy.

Mr. Speaker, this policy is based on the fact that the mining industry evolves in an international environment where competition is fierce. It also recognizes the fact that it is up to industry, not to the Government, to interpret and respond to signals given by the market. It is not up to us to dictate to industry how to manage its own affairs, but we try to create a favourable and constructive environment.

Mr. Speaker, the Government of Canada's main role is to provide comprehensive technical and economic information, to promote market access, to limit obstacles to growth, for instance by encouraging free trade and overhauling the regulatory system, and finally, to ensure that the tax system is fair and equitable.

I would now like to emphasize the benefits to Canada of freer international trade as a result of mechanisms like the Free Trade Agreement and multilateral trade talks held under GATT, the General Agreement on Tariffs and Trade.

One reason why further processing has not developed further in Canada is that a number of other countries have erected tariff barriers against processed products, in order to protect their own industries. Canada's opportunities for further processing will increase as these barriers are removed.

Mr. Speaker, one thing is clear. Even if the GATT rules were to authorize tariff barriers for raw materials, which is hardly likely, in any case it wouldn't work. Inefficient refineries supported by these tariff barriers would close down before those that are able to compete on international markets.

For Canada, the best approach is to encourage speedy removal of tariffs on processed and semi-processed products, so that our industry can take advantage of its natural assets. The aluminum industry, which makes use of the abundant supply of hydro-electric power in our country, is one example. It is the most promising way of raising the level of further processing in Canada.

Mr. Speaker, in concluding, I may point out that as we approach the 90's, we will be dealing with a world economic order that is very different from what we knew 10 years ago. The world generally acknowledges that economic growth and prosperity are stimulated most by measures to libèrate trade, by rapid movement of information, technology and capital, and by competition which engenders efficiency.

Mr. Speaker, Canada has a healthy and dynamic mining industry that will prosper in this environment with government support, but without government intervention.

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, I appreciate the opportunity I have been given to speak today on the subject raised by Hon. Member for Timmins—Chapleau (Mr. Samson).

As you know, the Canadian minerals and metals industry tends to expand outside the country, which is necessary.

Canada is the world's largest producer of zinc and uranium and second largest producer of potash, nickel, asbestos and gypsum.

Since Canada's contribution to the demand for these products is still far from its contribution to their supply, it is not surprising that we export large amounts of our minerals and metals at various stages of production.

[*English*]

Canada's contribution in this field is not confined to mining. In addition to the primary extraction of our mineral ores, Canada makes a major contribution to the further processing of this ore. We have a refining and smelting industry of which we can be proud and which, in certain areas, is world class. I shall have more to say about this later.

The motion before the House today would like to see an expanded role for further processing in Canada and I am in full agreement with that objective. In promoting this objective, however, we should not lose sight of some important realities. Competition is very intense worldwide at all stages of the mineral and metal industries. In the past decade we have seen the mining sector having to make some very painful adjustments, cutting its labour force and introducing new technologies in an effort to remain competitive. These adjustments were not easy, but they were necessary and the industry is the stronger for having made them.

[*Translation*]

In the same way that Canadian mines can close and lose customers to the benefit of foreign suppliers if they cannot keep their prices low, the refining and smelting sector also faces keen competition.

The Government is confident that under the right conditons, these sectors can prosper and develop. For several years now, we have tried to create ideal conditions for the processing sectors to prosper. These efforts are being pursued on various fronts. The first two ways involve increasing Canada's access to world markets and reforming the tax system. These are familiar to all Canadians. These efforts are not particularly directed at the minerals and metals industry, but provide a basis for the long-term growth of all sectors of this industry by allowing Canadian firms to compete effectively on world markets.

[*English*]

This government does not believe that it would be in the long-term interest of Canada's refining and smelting industry to provide it with artificial stimulus. When the protectionist measures were eventually dismantled, as they would have to be, the industry would have to make much more drastic adjustments than if it had been exposed all along to the discipline of foreign competition.

The motion suggests that Canada should discourage the export of unprocessed minerals. I do not think that this would help smelting and refining in Canada. The most efficient smelting and refining companies worldwide would simply find an alternative supply source. Remember that while Canada's resource base is rich, it is not unique. There are many competitors. If Canada is an unwilling seller, there are other suppliers to take our place. The best long term strategy for Canada's mineral processing industry is the rigorous pursuit of efficiency and the gradual build-up of capacity which would allow it to take advantage of Canada's rich mineral wealth.

I would like to repeat for the record the six principal objectives of mineral policy set out in the mineral and metal policy of the Government of Canada in May 1987. They are: to provide a fair and balanced fiscal and regulatory framework; to foster the development of the mineral and metal sector as a foundation for regional economic development; to promote improved technological performance and increase international competitiveness in all facets of the industry; to assist workers in communities affected by industrial adjustment; to facilitate enhanced mineral and metal exports and access to new and traditional markets; and to provide timely and accurate economic, technological and scientific information required by the industry and by the federal and provincial governments, labour and the general public.

As these objectives make clear, this government appreciates the strong role which mineral development has played and can continue to play in the economic development of Canada's regions. The Government of Canada will continue to provide a supportive environment for the industry in the ways outlined; encouragement of R and D, tax reform, provision of information, trade initiatives and adjustment assistance. However, insofar as the production and investment decisions of the industries are concerned, this government believes that individual firms are in the best position to evaluate the information on which these decisions should be based. The Canadian mineral and metal industry has a strong record of past achievement and we have every confidence that it will continue.

• (1720)

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I would like to thank the Hon. Member from Timmins for giving me the opportunity to speak on this matter. As the member for Sudbury I probably know as much, if not more, than a lot of the people here about mining and refining as it is carried on in my city and province. I have less knowledge of what happens across our country but one of the things I am very aware of is that there is a debate, and it may not even be a debate at this point, on jurisdiction of the mining portfolio. I am very much aware that provinces control mineral rights and, as such, feel that it is their jurisdiction. I certainly would like to see the federal government try to pressure the provinces into doing the things that need to be done.

I would like to go back and refer to what happens in Ontario. Ontario in 1917, I believe, passed a mining act which said that all minerals extracted from the ground that had been patented after a certain date in 1917 had to be processed in Canada, in Ontario I gather, and proceeded to go on with this legislation.

In our town we have two major companies that do mining and some refining. We have Inco, International Nickel. International Nickel does a large portion of its refining in our city. It has a world-class refining capacity and does a great deal of the actual refining locally. It also ships some of its refining to Port Colborne and some goes all the way out Wales.

Falconbridge, on the other hand, does no refining whatsoever in Canada. In the early 1920s, when Falconbridge was wishing to refine some of its minerals itself, it found itself in a position where International Nickel controlled all of the patents everywhere except in Norway. Therefore, they were not able to register their patents for refining, or at least in this country or in the United States. So they bought up a closed refinery in Norway and were able to get a patent there and went on with business, and to this day they refine in Norway. The provincial government now gives Falconbridge special permission to ship to Norway.

In the early 1980s, when there was a severe downturn in the mining economy, had we forced Falconbridge to refine locally I do not think we would have a Falconbridge operation in Sudbury at this time. It is very important that when this rule is enforced there is some consideration given to the times. We know that this past year Falconbridge has had some considerable profits, and we are pleased with that. We also know that Falconbridge will be renegotiating this special permission with the provincial governments over the next few years.

I would like to impress upon our provincial governments the fact that we certainly would like to see the investment of some of these moneys that they have made in a refining plant, preferably in our city. On the other hand, we must always remember that they must invest money in new properties or the industry will not remain viable. It is important that, if that permission is given to ship out, there be considerable reason in terms of investments in properties to offset that. I really believe that if you build a refinery that costs $500 million and creates 300 jobs it may not be quite as good as creating 500 or 600 jobs at a new location and a new mine. All of these things have to be considered.

One of the things that I worry far more about at this point in time is the large push by multinationals to take control of our mining industry. A case in point, and it really did not come to pass, was the purchasing of Falconbridge by Amax. That did not come to pass, but I wonder what would happen to our industry and what kind of controls we would have if a company was solely owned from outside the country. Would it have the caring for the country and for the area in which it mines which a company that is at least partially owned in our own country would have? That worries me far more and I think we definitely have to take some very close looks at the trends of multinationals taking over some of our natural resources.

Another point that worries me very much is the monetary policy of this government, the high interest rates which lead to the high value of our dollar. I realize that it is far more difficult for our mines to make a profit when the value of our dollar is as high as it is. It is important that we maintain those profits so that the profits can be put back into our economy at a local level as well as at a national level.

I am also very worried that we will neglect the environment. That is a major issue. We in Sudbury, in Inco and Falconbridge, have done some tremendous things towards pollution abatement. As a matter of fact, I think in many ways Sudbury could be used as a model in terms of greening. I would certainly invite anyone to come to our community and see the types of investments that have been made, even through tough times, in our community on protection of the environment.

I would conclude by saying that I do support the motion. I think it is important that we pressure the provincial government, or at least exert our influence as a federal government, in ensuring that as much as possible what we produce here is refined here.

Mr. Al Johnson (Calgary North): Mr. Speaker, it is a pleasure to rise to speak on this issue of processing mineral resources in Canada.

Before I do so, I would like to refer back to the actual motion, wherein it says:

> —the government should consider the advisability of developing programs and policies to promote further processing of all extracted materials produced by Canadian mines—

This indicates to me one of the fundamental flaws in the motion. It says all resources must be further processed. It shows, I think, the lack of understanding of the hon. member proposing the motion, particularly with regard to the coal industry, with which I have some experience. I do not know how he imagines we are going

to further process coal before we export it. Perhaps some explanation of the industry and the process is required.

When coal is exported to be used in utilities and to make electricity in foreign lands, the only thing that is done to it before it is used is that it is pulverized. Now, if we did that pulverizing here in Canada the coal would be absolutely impossible to handle. You cannot ship pulverized coal. It would plug up all of the equipment, it would be a complete mess in terms of the environment and so forth.

Certainly we cannot say that we wish to upgrade every mineral resource that is produced in Canada. That is one particular example where it would be categorically impossible, unless of course the hon. member wishes to actually make the electricity in Canada and put it in boxes and ship it out. I am sure that when that technology is available Canadian industry would be pleased to do it because one of the biggest problems we have in exporting coal is the cost of transportation. I am sure it will be many, many years before a technology of that nature is available.

• (1730)

The hon. member wants us to do everything possible to encourage the processing of minerals in Canada. I am very surprised that he should say that because his party is on record as opposing the goods and services tax which is, of course, directed at making our resource producers more viable and more economical. If we want to encourage processing in Canada, then we want to make our industries as viable as we possibly can. That extra income, the revenue that comes from having lower operating costs, will encourage them to upgrade resources further. This, of course, is an objective that we all share. I am pleased, as I say, to speak on this subject today.

I think it is important to understand something about the presence of downstream processing of raw materials in Canada, and the extent that this presence varies from commodity to commodity. In cases where Canada's domestic end-use market is substantial, downstream processing is often well established. Examples of this would be, of course, the aluminum and cement industries. In other cases, the pattern is predominantly determined by the presence of high tariff and non-tariff barriers in important foreign markets. These tariff barriers increase with the degree of processing and pose a major hurdle for Canadian expansion in this area.

It is in recognition of the problems posed by these trade barriers that this government completed the free trade agreement with the United States. Canada is also firmly committed to tariff reduction through the multilateral trade negotiations now under way at the GATT. We are confident that with the removal of trade barriers, as a result of the FTA and tariff reductions, we will see significant additional growth in the further processing of minerals and metals in Canada.

This future growth, indicated by market forces, will be assisted by this government's efforts aimed at enhancing Canada's reputation as a safe and attractive haven for investment, both foreign and domestic. This includes maintaining a fiscal regime which imparts no disadvantage to our producers.

Earlier I stated that Canada already has a strong presence in further processing of minerals. It is well known that over 80 per cent of Canada's mineral production is exported. It is often believed that the bulk of these exports is in the form of ores or concentrates. This is simply not true. Let me review the metal mining sector, a sector which alone accounts for over 70 per cent of Canada's mineral production.

One hundred per cent of all nickel ore produced in Canada is upgrade into nickel matte in this country. Furthermore, some two-thirds of this is refined in Canada. About 94 per cent of our gold production in 1987 was upgraded in Canada, and some 75 per cent of the silver concentrates were processed in this country as well. Over 50 per cent of copper and of zinc concentrates received upgrading in Canada. These commodities alone constitute about 60 per cent of the metal mining sector's output in any given year.

I would like to provide a little more detail about our copper industry. The Canadian copper industry is made up of two distinct groups, the west coast concentrate producers and the central eastern integrated producers. Rail transport of concentrates from British Columbia to eastern Canada for domestic processing is an expensive proposition. It is far more economical and attractive to

ship concentrates to Japan for refining than to transport them across Canada.

The possible construction of a world-scale copper smelter in British Columbia has been studied but has not been found to be a viable proposition. I am confident that companies will continue to evaluate new possibilities as conditions change, and that if such a proposition becomes viable that they will undertake it.

While this government wishes to encourage further processing of minerals and metals in Canada, it must be careful how this is accomplished. It is preferable that this should come about without direct government intervention. It is well to remember that while we are a leading exporter of minerals concentrates, we are also an important importer of ores and concentrates. For example, we rely exclusively on imported bauxite and alumina for our aluminum industry.

We also need foreign copper concentrates to supply our smelters in eastern Canada. In order to maintain production at Cominco's Trail smelter, significant supplies of zinc concentrate will have to be imported when that company's huge Red Dog deposit in Alaska comes on stream in 1990.

Some nickel concentrates are already obtained from offshore for domestic refining. Imports of these are expected to increase next year when the Sherritt Gordon refinery acquires additional raw material for its operations.

It is evident that Canada should not take measures to promote downstream processing in a way that will provide grounds for any retaliatory action by those countries on whom we depend for some of our raw materials.

Looking at the non-metal business, it is worth noting that Canada is a leading exporter of coal and potash. I would like to point out that these commodities accounted for over $2.5 billion in export earnings in 1987. There is little scope for further upgrading of these items, as I mentioned earlier, particularly in regard to coal.

Canada does not lack for recent improvements to its downstream processing facilities. Let me give you some examples. In the case of zinc, the Trail smelter has been expanded, the Valleyfield smelter has been modernized, and Kidd Creek continues to be state-of-the-art.

While Canada does not mine the raw materials for aluminum, the aluminum industry is, nevertheless, a good example of new developments in the further processing of raw materials in this country. Thanks to the investment climate created by this present government, component manufacturers have chosen to locate here and to take advantage of the presence of this industry.

The aluminum industry continues to move aggressively into further processed forms. In 1988, Alcan announced construction of a new $3 million plant to produce ceramic-related materials for use in composite products, and a $25 million plant to manufacture dural, a ceramic particle reinforced aluminum in the Lac-Saint-Jean region of Quebec. Alcan will also build a new alumina hydrate plant at a cost of $28 million. This material is used in artificial marble, toothpaste and rubber backings for carpets.

A $112 million aluminum auto parts plant is being built in Quebec by a French company. This facility to be constructed in Riviere-Beaudette will produce precision cast aluminum parts including cylinder heads and intake manifolds for the automobile industry.

Earlier this year, Reynolds Metals announced plans for a $50 million plant plant in Louiseville, Quebec, that will produce cast aluminum wheels. This plant will employ some 325 people.

Another interesting new development is taking place in platinum. Traditionally, the platinum content of Canadian nickel matte has been recovered offshore. Now, a pilot plant to recover platinum from spent catalysts has started in Toronto. If successful, it may be adapted to handle the platinum content of domestic mineral concentrates.

Canada's steel industry is maintaining its position as a world leader and competitive producer by employing new technologies. The percentage of Canadian steel that is continuous cast far exceeds the level in the United States, and we have one of the most modern pipe and tube plants in the world. The steel industry has plans for a new galvanizing plant in Hamilton and expects to apply technologies which will move us away from the use of coke in the blast furnace. These programs will move our

supply capability further downstream and ensure a cleaner environment in industrial areas.

Canada is on the verge of becoming the world's largest producer of magnesium metal. If all planned or potential magnesium smelting projects are implemented by 1994, total capital investment in this sector could amount to more than $1 billion, creating more than 1,000 new jobs. Canada's next producer of magnesium metal, Norsk Hydro, should have its plant at Bécancour, Quebec, in production shortly. This facility expects to employ approximately 350 permanent workers.

Other projects are under active consideration. For example, Noranda Minerals Inc. and Lavalin Inc. have announced their intention to proceed to the feasibility stage of their Magnola joint venture which will be based on asbestos tailings from the Thetford Mines area. Magnesium International Corporation and Alberta Natural Gas Limited are constructing a magnesium metal plant at Aylderside near High River, Alberta.

• (1740)

Canada's record on further processing is promising, but this government will continue to strive for improvement. Even now a considerable number of developments are under way that will improve our performance. These are examples of how this government has encouraged a well established industry to move further down the path of higher value-added activities. I am confident that this trend will continue as and when trade barriers are reduced as a result of our concerted actions with the free trade agreement and the GATT negotiations.

Mr. René Soetens (Ontario): Mr. Speaker, I think as the member for Calgary North rightly pointed out, we should really read the resolution again so that we can make sure we discuss the points that are relevant. We have heard the comments about mineral extraction and the processing of minerals in Canada. Yet the resolution, if I might re-read it for you, states:

> That, in the opinion of this House, the government should consider the advisability of developing programs and policies to promote further processing of all extracted materials produced by Canadian mines in Canada, and to discourage the export of unprocessed minerals from Canada.

It is interesting that the resolution switched from "materials" to "minerals". I am not sure what happened to all those other things that might not be classified as minerals in the discussion.

In my riding we have some substantial landfill sites provided to us courtesy of the city of Toronto. We are not necessarily happy to have them, but now there have been some proposals put forward that state that there might be some extraction opportunities of the wealth of energy and resources that are buried in these particular mountains, if I might call them appropriately.

When we talk about materials extraction, do we talk about iron? Obviously we must. We must talk about coal, uranium, nickel, peatmoss, copper, potash, limestone, zinc, cement—goodness, I bet you the list could go on. I think there are some 120 different identified minerals in the world. I think we have most of them in Canada, at least a substantial portion of them. I do not know if we can just talk about a very limited aspect. Of course, what is not mentioned in all this is where in fact do we as Canadians who want to process these products sell them.

As the Member for Calgary North rightly indicated, there are some products that we extract from the earth that really require no processing when they are ready for use. Certainly, he is very knowledgeable on the coal industry and made a very valid point. I suspect that the same may apply for example when we extract from the earth such things as oil, natural gas, and even water. I am not sure if a conventional thing called mining should always be considered. Mining is regarded as digging a hole in the ground to see what is down there. I am sure that is the old philosophy. The new philosophy in mining is such that I am sure that many things we do would in one sense or another be regarded as mining.

As you are aware, Mr. Speaker, I am a member of the finance committee dealing with the goods and services tax and have been travelling across Canada, at least to this point in time to western Canada, and soon to embark on a swing through eastern Canada, to hear the input of constituents. We have very clearly as a government identified that resource sector industries, particularly in western Canada and eastern Canada, would really benefit by the goods and services tax. I think it is very appropriate that we have had some comment about the

coal industry. The coal industry came forward and very solidly embraced the concept of the goods and services tax.

It even estimated that each individual mine that it represents in western Canada in particular would become more profitable on average to the tune of some $500,000 per year. Half a million dollars may not be much, but it is half a million dollars that can be invested in technology. The industry can invest it in the creation of new jobs. When it buys technology it buys equipment. The industry buys things manufactured somewhere else in Canada, hopefully, even right in its own backyard or wherever the mine happens to be.

On the other side, as I mentioned, the finance committee less than a half hour ago had a presentation from the Hon. Mr. Douglas who was the Minister of Finance in New Zealand and who made some very enlightening presentations on the goods and services tax. As you know, the governing party is considered the left wing or socialist party of New Zealand. I think it caused some considerable problem to the members of the NDP caucus who sit on the Finance Committee because everything that was being said about the GST in New Zealand went so diametrically opposite to what the NDP is saying here in Canada. Yet, this was fellow brethren of the socialist societies of the world speaking to each other taking such a diametrically opposite point of view.

The one thing that Mr. Douglas commented on was that in New Zealand the practice has been to target industries and provide government assistance to those industries to do things. Since the Labour Party of New Zealand has taken over it has done away with that. It has done away with tax grants, incentive grants or, as is mentioned in this motion, programs and policies. It has done away with all of those things to business. The party's argument is that business ought to do what business deems right.

It has also done away with a lot of other programs. This Labour government had to admit that less government interference in the targeting of industries has in fact been very beneficial to New Zealand. Here we have before us a resolution which states that we ought to interfere in business and not let it do its own thing. Yet in New Zealand a government of the same stripe as some members of this House says that this is exactly wrong and that there ought to be less interference, with the end result that your industries will be better off.

I find that to be a very enlightening comment. Of course, it is nice to be able to say that we will process in Canada all of the things that we mine out of the ground. We will not get into specific items as to what they are at this particular point. That is great. We will process all these things. Then what will we do with them? It would be really nice to have a market in Canada where all these things could be sold. That would be just absolutely fantastic. Since there are only 25 million of us and not 250 million, we have a problem.

We have the ability in Canada to produce and to extract from the earth many more resources than we have the ability to consume ourselves. What do we do with these things? Do we just leave them in the ground until Canada's population is at 250 million? I guess we could come up with more grants to families to encourage them—not unlike as has been done in the province of Quebec—to have more children. I am not sure that that would get us to 250 million in a real hurry.

In the riding next to me, in the riding of Oshawa, the automotive industry, for example, is a very prominent employer. It is rather prominent in my riding as well. What does the automotive industry do? Ultimately, you can say that it processes extracted materials, whether it is steel, metals of one kind or another, or aluminum. It processes things and it sells them. In fairness, it sells the majority of those products produced in those plants in the riding next to me in some other country, not in Canada.

I would hazard to say that if we followed the policy of only selling those products that we extract to Canadians, then we would have a problem. It does not work. On the other hand, if we put in place rules that make that happen obviously our trading partners, wherever they are around the world, will erect barriers that will make it very difficult for us in Canada to sell things. Yes, that means in some cases, that we will have to sell products that are extracted from our rich resources and not processed. But what it does do is it provides us with a tremendous opportunity to sell processed products. Those processed products start to work to our advantage, as is very clear.

• (1750)

We do not operate in isolation to other countries. We do not operate in isolation to various trading arrangements that exist in the world. In fact, as members of the GATT, we have substantial trading relationships. Any policies that would interfere with the free flow of goods I would find very difficult to support because the agreements we have with trading partners encourage free flow in both directions. Yes, we win on some and we lose on others. We have a number of substantial winners which I hope in a future presentation, Mr. Speaker, you will allow me to speak on. I could go on for a half hour at least talking about the winners that we have in Canada on resource extraction.

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Mr. Speaker, I appreciate this opportunity to share with the House some special feelings about the mining industry of Canada because, as the House will know, I served for two years, between 1984 and 1986, as the Minister of State for Mines. In that two-year period I enjoyed the learning process which is the privilege of all who serve in these capacities. But for me, as an engineer, it was a very special introduction to the magnificence of Canada's mining sector.

As members of the House will recall, the international cycle for commodities, particularly some of the main products of Canada, cycled very badly in the late 1970s and early 1980s. The industry had presented to government year after year the need for attention to their interest to reinforce the industry so that it could come back and compete when the cycles rejoined in the future.

As minister, I was privileged to meet with the leaders of our great mining companies in Canada and to learn of their capacities and their technologies and their very special concerns. In retrospect, I am pleased to have been able to serve as minister during a period in which those cycles did turn around. The very hopes and prospects of the industry which had been set out by the industry to the government and which the government accepted through its leaders in the Energy, Mines and Resources Department turned around.

I should not pass that reference to the department without giving credit to the men and women who have served Canada as technology leaders in the Can Labs that Canada sponsors jointly in working with the private sector. The doctors of technology who have established and guided those centres across Canada have done a wonderful job and are part of this rebuilding process, this further processing or refining process that we are discussing today.

As my memory goes back to those occasions together, I remember from the very beginning the need for consultation and the need for working in concert with the provincial governments. Our Constitution very specifically addresses the rights to mineral wealth to the provinces. I learned, as many of our colleagues here will know, that there was a division between the federal authority and the provincial authority which often confused and frustrated the mining industry. Mines ministers' conferences were never quite complete in much the way that Canada's discussions on its Constitution are not complete because Quebec was not there.

I was privileged to preside over and chair the first mines ministers' conference in Charlottetown, Prince Edward Island, at which the provincial Minister of Mines for Quebec, one of the three very large provincial ministries in mines, was present and participated fully, raising the same concerns for the mining industry that we all did. We looked for harmony and harmonization of the regulations so that mining decisions to explore, to develop, to exploit, to operate, were all addressed with a fairness or a unity for Canada so that it was not one province out-bargaining the other in terms of advantage.

The primary function of the Canadian Government in this process was to reinforce the magnificence, the potential of our mining industry. I remember another incident which was that a series of conditions in our finance legislation provided for what were then known as flow-through shares. It was a mechanism or a treatment of investments which went into the development or exploration for mining potential which is a tremendous risk.

I learned that while some of us look at investments as having a return within so many years, perhaps over a period of 10 years, for many mining ventures it was 10 years before they started to operate and begin to recover the front-end risk money which had gone in 10 years earlier. This is a tremendous expression of confidence in Canada's ability and in a mine's ability to ride through a

cycle and then compete with all the others which are looking for the world markets.

I think it was my colleague from Ontario who pointed out this need to recognize that we are in a world market and that others can meet the demands of this market like anyone else.

I am going to be very disappointed this afternoon because I can see that the clock is going far too fast and I know you are not going to allow me, unless we get unanimous consent, another half hour. I will do my best to finish in the two or three minutes you are going to allow.

The uranium deposits with which Canada is blessed can continue to become for safe and peaceful purposes a tremendous resource in Canada, both in Ontario and particularly now in Saskatchewan. A special facility, Eldorado, was built at Port Hope, not far from the riding of Ontario. The competition which that processing plant found became an international concern in trade and in relationships with the U.S.

Major users of uranium in the U.S. would wish to buy the uranium in its raw form and direct it to the refining plants in the southern United States and then process it into their uranium thermal plants. This was fine except that we had a capacity which was efficient and modern. We added to that capacity in Port Hope, and further refining was done but always with the recognition that we had to compete with the access to the same materials through other means. We have tremendous competitors in this world when it comes to our mining products. The Australians are in a great position to compete with Canadians because their mines are just as rich, and their resources are just as strong.

I hope that this motion will be considered as time goes by, recognizing that the real need is for Canadians. I see you are almost on your feet, Mr. Speaker, so I will not stretch this out too long.

I want to give credit to the member from Calgary North who also raised a number of important points in his address to this House this afternoon. As I say, Mr. Speaker, I know you are going to have to watch the clock, it is your duty, and I honour you for it. Thank you very much for this occasion.

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1) the order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

• (1800)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

THE ECONOMY—CONFERENCE BOARD OF CANADA REPORT—NATIONAL SALES TAX—IMPACT ON BUSINESS INVESTMENT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am pleased to have an opportunity to say a few words about the 9 per cent manufacturers' sales tax that the government plans to introduce on January 1, 1991.

I want to refer to an issue I raised in Question Period, regarding the report presented to the country by the Conference Board of Canada. At that time, the Conference Board vice president and chief economist, Mr. James Frank, issued a number of observations that I thought would be worth presenting to the Minister of Finance.

The Conference Board of Canada we all recognize as being the most prestigious and the most objective economic think-tank and projection firm in Canada. Their track record has been impeccable in terms of predicting the impact of various government programs, and their researchers and reports can be rated as nothing short of outstanding.

Their latest report on the goods and services tax indicates that inflation will increase, economic growth will be reduced, and that more than 70,000 jobs will be killed in the first year of the goods and services tax. To put it more precisely, the Conference Board of Canada suggests that inflation will increase to 7.3 per cent from 5 per cent, in 1991.

As a result of the hearings in various parts of Canada, we have heard that the labour movement certainly sees this as a reason to be requesting significant increases in pay packages. If inflation is going to increase by 7.3 per cent and the tax will add another 9 per cent to the cost of most goods and services, we are looking at requests

coming in at 16 per cent in one year. Along with the indication from the manufacturing and retail sector that prices will have to be increased to reflect the increased costs associated with the sales tax, it means that prices will go up, and wages and salaries will have to go up to meet this increased cost of living.

When the cost of living goes up, or as I might also state it, the inflation rate goes up, the Governor of the Bank of Canada will feel obligated to raise interest rates accordingly. As the Minister of Finance has indicated, we can expect the interest rates to go up a number of percentage points as a result of the goods and services tax which will further strangle any hope of economic growth, particularly in the regions of Canada.

The Conference Board of Canada goes on at some length to point out some of the concerns that they have regarding this government proposal. I must say that they reflect much of what I have been hearing in communities like Clearwater, Chase, Barriere, Kamloops, Logan Lake, Westwold, Savona and many other smaller communities within my own constituency, where people really make four points. Whether they represent small business, homeowners, tourist operations, loggers, farmers, ranchers, restaurateurs, seniors, students, or whatever group, they remind us of the fact that the Prime Minister of Canada promised that if a sales tax was going to be introduced, we would be promised and guaranteed four items.

One, the tax would be visible for all to see. Well, the Prime Minister has had to renege on that promise because we now know that in many cases it will simply be built into the price of a service or a commodity and the public will never see the fact that there is a 9 per cent federal sales tax.

The Prime Minister promised that it would be revenue neutral. That is the second promise that he broke, because now the Prime Minister has indicated that it will not be revenue neutral, that this tax will raise $5.5 billion beyond what the present manufacturers' sales tax presently raises.

The Prime Minister also promised that the federal sales tax would be integrated with the provincial sales tax and we would have only one tax to pay that would be termed a sales tax. That promise has also been broken, because now we know that the federal government will first of all impose its 9 per cent tax and then on top of that the provincial governments that have a sales tax will impose their provincial sales tax, which means they will be taxing taxes.

The Prime Minister said that it would be very simple. The Canadian Federation of Independent Business, which represents 80,000 small businesses across Canada, states that this is going to be a red-tape nightmare, that this system is too complex to consider introducing and too expensive to introduce.

• (1805)

On the matter of the goods and services tax, groups like the Canadian Chamber of Commerce, the Canadian Federation of Independent Business, the Canadian Organization for Small Business, virtually every agricultural organization in Canada and now, lastly, the Conference Board of Canada, the most prestigious board in the country with regard to predicting the economic implications of various government initiatives, are condemning the sales tax and saying that this will squeeze economic life out of our economy. They have asked the government to go back to the drawing board. They join with groups like the New Democratic Party which also have been saying: "Let's go back to the drawing board. Let's look at real tax reform of our tax system rather than have a regressive sales tax that discriminates against the regions of Canada and the poorer people of the country. Let's have real tax reform that is fair, just and equitable".

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased to answer my Hon. New Democratic colleague and you will allow me to begin by pointing out how sweet it is to hear the New Democratic Party finally support these arguments, along with the Canadian Chamber of Commerce and the small business federation, although they usually condemn the Chamber of Commerce and its members, condemn small business, etc. But this time, they support it.

On the other hand, my colleague perhaps made two small mistakes in his presentation, Mr. Speaker. In the first place, he said that the Canadian Chamber of Commerce and the Canadian Federation of Independent Business do not support the new tax. That is false. Every

organization, Mr. Seaker, which appeared before the Standing Committee on Finance told us:

"First, the present federal sales tax is bad for Canada; the present federal sales tax must be changed. Now, in the context of your proposed GST, we would like to see some things done differently." Great! Everyone, even my colleague, the Finance critic, condemns the present federal sales tax. I listened to my constituents and I can tell you, Mr. Speaker, that I also go around my riding, to Pointe-du-Lac, Saint-Sévère, Saint-Barnabé, Trois-Rivères-Ouest or Trois-Rivières, and people tell me that they know the tax will be visible, because businesses will be very glad to put it on the bill, saying, "This is the federal government's tax, not profit we are making."

Second, people are aware that the tax will bring in more revenue, but they are very glad that the extra revenue will be returned to them. All families whose income is under $30,000 a year will get a tax credit.

Third, Mr. Speaker, the Prime Minister never insisted that the tax must be federal-provincial. He always said that he would prefer it, but we know that the provinces refused.

Finally, Mr. Speaker, small businesses, as I was told again lask week in Pointe-du-Lac, are very glad to know that they will get $600 a year to administer a tax that can fit on an 8 x 12 page.

Mr. Speaker, those are the points that I wanted to make. The tax will be simpler, fairer and more equitable for Canadians and for business.

[*English*]

FISHERIES—IMPACT OF FREE TRADE AGREEMENT ON ATLANTIC CANADA—CRISIS IN ATLANTIC INDUSTRY

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, the riding of Burin—St. George's has 158 communities, the majority of which are very heavily involved in the fishery, and a number of which are involved in the deep sea fishery. For example, we have deep sea plants at Burgeo and Ramea, at Gaultois and Harbour Breton, at Fortune and Grand Bank, at Marystown and at Burin.

I tell you that, Mr. Speaker, because I believe it goes a long way toward explaining why it is I have been raising, on a regular basis, the issue of the current state of the fishery.

• (1810)

Indeed, the item on the agenda to which we are now speaking, the so-called late show or adjournment debate, actually arises out of a question that I put to the Minister of Fisheries on or about June 20.

For at least four months we have been talking about this issue and during that time I have been characterizing the current state as a crisis. The Minister has disagreed with me. As recently as Monday past, just eight days ago, he took exception. If we look at *Hansard*, we see that he chose quite different wording to characterize the current state of the fishery. He said that in most respects, fishermen in Atlantic Canada are enjoying a year which is prosperous and adequate for their needs.

Almost any fisherman, almost any plant worker in Atlantic Canada, can vouch for the fact that the minister's statement is simply not true. It is just not true. The question arises, why is the minister, aided and abetted, I may say, by the gentleman from St. John's West who I guess may be responding to these few remarks of mine, choosing to send out what is clearly a false signal? I can only guess that somebody has come up with a strategy to downplay the issue. They are not going to convince anybody who is actively involved in the fishery. They are certainly not going to convince anybody involved in the Newfoundland fishery, either the inshore or the deep-sea fishery, that there is no crisis. They are not going to convince any of those people that the fishery in Newfoundland is not on the verge of collapse.

They certainly are not going to convince the Newfoundland government from whom the Government of Canada has had in its hands this report for two months, a report rightly entitled "Resource Crisis in the Newfoundland Fishery". The report goes into some detail to spell out the dimensions of that crisis. It refers in part to the overfishing by the European community.

To give a quick example, in 1986, NAFO, the Northwest Atlantic Fisheries Organization, assigned to the European Community countries 26,295 tonnes as its quota for that particular year; in round figures, 26,000 tonnes. In that year, countries in the European Community fished not 26,000 but 160,000 tonnes or about six times as much as the quota would allow. The figures are similar for succeeding years.

One, there is a crisis. Two, is there any wonder that there is a crisis? Third, I say to the minister and his parliamentary secretary that if there is no crisis, what is the Minister for International Trade doing overseas? Four years after it started, he has now discovered there is overfishing. He is now going to go out there and do a selling job. Well, bully for him. You have heard about closing the gate after the horse was gone.

This is a classic case of where this government has obfuscated, tried to cover up and be wishy-washy in terms of the issue and finally, too late, talking out of both sides of its mouth, the one hand saying there is no problem, there is no crisis, and the other hand going out to try to put out some fires.

It is beyond the bushfire stage. The fishermen, the plant workers that I represent, know there is a problem and they know the very serious dimensions of the problem. If we were to pursue this report a little further, we would find in graphic terms what the ramifications are going to be in terms of job losses in the next few months.

I do not need to take you through that, Mr. Speaker, because every fisherman, every plant worker, is aware of the dire possibilities for their industry and for their livelihood. That is why I raised the question in June and since then, and that is why I gave notice in June that I was not satisfied. I am still not satisfied with the answers I am getting from the government.

• (1815)

I want to know, and I hope the parliamentary secretary will tell us, why they have their blinkers on in terms of this issue. More to the point, what will they do to help mitigate the issue, to offset the serious dimensions of this problem being faced by fishermen and plant workers?

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, the Atlantic fishery is an essential and fundamental component of the Atlantic and the Canadian economies.

In the period since 1977 the value of output grew by 57 per cent in constant dollars while over-all growth in Atlantic Canada was 42 per cent during the same period. The Atlantic fishing industry is a world class competitor. This government believes that such fundamental strengths combined with the opportunities provided by the Canada-U.S. Free Trade Agreement guarantee benefits for the Atlantic fishery.

While the Canada-U.S. Free Trade Agreement bodes well for the future of all regions in Canada, the Atlantic region in particular can expect significant economic benefits. Most studies identify Atlantic Canada as a primary beneficiary of the agreement.

The Atlantic fishery in the long term is a winner from the free trade agreement. As tariffs are removed, Canadian processors will have the opportunity to expand production of consumer ready products in Canada. Such diversification will lead to more jobs and an improved economic base for many communities in this country.

This provides a positive note for the important Atlantic fishery. Of course, there are factors which are currently having a negative impact on the fishery. Recent downturns in the resource availability of some stocks are known to us all. Factors such as these have always been a part of the fishing industry. It remains fundamentally sound.

The government has in place a wide range of programs to address short run adjustment problems. These include the Canadian Jobs Strategy, industrial assistance and unemployment insurance which are available to cushion the impact of changes in economic activity on individuals and communities. After a full assessment of the problems in the existing programs, the government will, if necessary, initiate further programs or adjust existing programs to assist the industry as it has done in the past.

The important issues related to stock assessment and overfishing are being dealt with separately. The Prime Minister has appointed a special committee of cabinet to coordinate the government's response to problems in the northern cod fishery and to look at other Atlantic fisheries issues as appropriate. This committee is chaired by the Secretary of State for External Affairs.

With respect to overfishing, among many other things the government has initiated a series of diplomatic initiatives to ensure that the European Community and its member countries realize the effect overfishing is having not only on this vital resource but also on the relationship between Canada and Europe.

This government is fully confident in the measures that it has in place or will put in place to deal with adjustment in the Atlantic fishery. Moreover, there are significant benefits offered by the Canada-U.S. Free

Trade Agreement, and we are in a position to seize on them.

TRANSPORTATION—IMPACT OF CORPORATE PLAN—GOVERNMENT POSITION

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, on June 6, 1989, I asked the Minister of Transport and through the Minister of Transport to the House and through the House to the people of Canada and more particularly to the people who work for VIA Rail in Canada what were the plans that they could rely on for their future as employees and workers of VIA Rail.

The question was based on information on that day or the day previous that was released in *The Globe and Mail* that indicated that VIA's corporate plan indicated that all of VIA Rail would be cut by at least 50 per cent; all the employees and the routes would be cut by at least 50 per cent. That was on June 6, almost four months ago.

I also questioned the Minister about whether, in consideration of the leaked report in *The Globe and Mail* and with respect to the corporate plan, it would not be wise and not be in good taste that he would at least let the people who were working for VIA Rail, the 3,000 people the report claimed were going to be laid off make plans for their future, for alternate employment, other employment, retirement, early retirement; or all those things that we are hearing about now in this House.

• (1820)

Essentially, I was asking that since we knew there was going to be some drastic measures taken on VIA Rail, could we at least give the employees of VIA Rail an opportunity to protect their own future.

Last Wednesday, a day which will be remembered, particularly by our friends in Atlantic Canada, northern Ontario, small communities throughout this province, municipalities across this country, as black Wednesday, Canadians learned the severity of the plan that we talked about in June in this House.

On January 15, 1990, VIA will eliminate 18 of its 38 routes. The number of trains running will drop to 191 from a current level of 405. The VIA network will reduce its present size by well over 50 per cent. *The Globe and Mail* was in fact correct. Its estimation of 3,000 employees directly affected was correct. Over 10,000 employees in Canada, those employees employed by CN and CP and in the tourist industry, will be indirectly affected.

The reason for my question in June was simply to allow these faithful people who are directly affected in Canada to prepare themselves for that eventuality. Atlantic Canada was disemboweled by the moves of VIA Rail. My greatest concern since the announcement has been the government's decision to eliminate *The Canadian*, a line that runs a passenger rail service through northern Ontario. Commencing on January 15 of next year, the 150,000 northern Ontario residents of Sudbury, the 1,000 residents from Chapleau, the 2,500 from White River, 5,000 residents in Marathon, the 2,500 residents in Terrace Bay, the 120,000 residents in Thunder Bay, the 1,000 people who live in Ignace, the 10,000 people who live in Dryden, the 10,000 who live in Kenora, all along that CP line, will be denied access to passenger rail service in our country. A total of over 350,000 residents in northern Ontario will be denied this service.

Instead, this government has chosen to provide VIA service cross–country three times a week by continuing the cross–country rail line through a route what we used to refer to as the continental line, or the old CN line that starts about 30 miles north when it leaves Toronto, goes up north, about 30 miles north of Sudbury from Capreol, travels the northern route through smaller communities and finds its way into Winnipeg. It goes through Sioux Lookout, Nakina and places like that.

As a result of this very vital decision that affects northern Ontario, the government has chosen to go by the northern CN route, which will have a population of about 5,000 people, rather than the route that was formerly occupied by *The Canadian* on the north shore of Lake Superior which gives the opportunity to 350,000 people from northern Ontario to still avail themselves of passenger rail service in our country.

I know the parliamentary secretary to the Minister of Transport is prepared to answer this query today and I would ask, in closing, since this so affects the people of northern Ontario, could he restrict himself to that answer alone. Why did the government choose to go on a northern route with only 5,000 people who could avail themselves of passenger rail service rather than taking the other route that would allow 350,000 people from northern Ontario to avail themselves of passenger rail service? Thank you for this opportunity, Mr. Speaker.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to thank the Hon. Member for Thunder Bay—Nipigon for giving us the opportunity of once again explaining to the Canadian people some of the more difficult decisions that have

had to be made in the transportation portfolio during these past few days.

As far as reductions in service in northern Ontario are concerned, the hon. member knows that in order to maintain the national service that is affordable and sustainable, we have had to make a very difficult decision. He knows a commitment has been made to service those comunities that have had no other forms of transportation.

• (1825)

All of those considerations had to be taken into account in order to meet the fiscal responsibilities, the realities which are facing us, and that the new system must be affordable.

The larger northern Ontario communities that the member has referred to have transportation alternatives which remain in place and which have the capacity to take up the slack and we expect will continue to serve the population in these areas.

I believe that the minister was quite clear last week when he made the announcement concerning VIA Rail's five year corporate plan. It is the government's intention that a restructured VIA will result in a national rail passenger network that is, as I have said before, affordable and sustainable. One of the most difficult decisions that had to be made in this restructuring process is that it would mean a reduction, as he has already mentioned, of some 38 per cent of the existing workforce. I think around 2,700 is the more correct figure, not 3,000 that he read in the paper a few months back.

The minister announced that VIA's five year plan makes provision for separation benefits for those affected employees totalling more than $140 million. VIA has one of the best separation packages available. Additionally, our government has specifically directed VIA to treat all affected employees with generosity and in the fullest compliance with all the applicable collective agreements and legal requirements that are already in place. While that is not a job, nonetheless it does help cushion the blow that will befall some of these people.

In closing, I would like to say that the government does have a host of services and programs, through the Department of Employment and Immigration, such as the industrial adjustment services, and the Canadian Jobs Strategy, that will also help workers to find new jobs and to acquire new skills.

This action has had to be taken because VIA was inefficient, ineffective, and in 1988 it cost a subsidy of some $641 million, and that was rising. It represented a subsidy of $1.5 million a day. Canadians will understand, I am sure, when they finally see the enormity of what we were putting out and what it was continuing to grow into when they see how we are trying to shrink that subsidy.

It is with regret that VIA is going to have to be cancelled out of some of the communities that it now services.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Wednesday, October 11, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

NATIONAL ARTS CENTRE ORCHESTRA

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, 20 years ago the federal government established the National Arts Centre as Canada's national cultural institution. As Maureen Forrester, immediate past chair of the board, stated, "The formation of the NAC is arguably the most important single artistic development ever to occur in Canada's national capital".

Since its inception, several notables have been in such positions as director general, artistic director and on the board of trustees. Up until two years ago the centre's principals worked together to create one of Canada's finest institutions. Recently, patrons of the NAC have been asking people to sign petitions which accuse the new management of the NAC of being cavalier, incompetent and inadequate in artistic matters. It is for these reasons that I call on the Minister of Communications to initiate a public inquiry into the affairs of running the National Arts Centre. The inquiry must look into what has happened of late to bring the centre, its staff, its programming, and its orchestra to such an all-time low.

It is imperative that we address these problems before a major institution is destroyed and a wonderful orchestra becomes a thing of the past.

* * *

[*Translation*]

TOURISM

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I wish to congratulate the director of Carrefour Inc., located in L'Avenir, in my riding, and I am referring to Mr. René McKaye and his team who received an award last Friday in the "development" category, one of the Coeur-du-Québec 1989 tourism awards, for improving and developing their infrastructures.

I am also delighted that the Canadian Government was involved in this success thanks to its contribution through the special Laprade region program, which contributed $350,000.

Established in 1954 with the help of volunteers, this vacation centre, located in a magnificent setting on a hillside overlooking the Saint-François river, has changed considerably since those early years.

With its new infrastructures, Carrefour Inc. should now be considered a full-fledged resort.

Since Carrefour is open the year round, tourists, businesses and organizations that want to meet in a setting conducive to work and relaxation are able to take advantage of the many services and activities it offers.

This enterprise is to be commended for its determination, dynamic approach and sense of entrepreneurship in developing regional and provincial tourism.

* * *

AGRICULTURE

Mr. Gilles Bernier (Beauce): Mr. Speaker, I want to point out how well the Conservative Government understands the farmers of Canada and Quebec.

My Government listens to farmers. Last week, the president of the UPA (Quebec farmers' union), Mr. Proulx, and his officials met with our Ministers of Agriculture, the Minister for International Trade and the Prime Minister.

The federal Government has just granted Quebec pork producers $48 million under the stabilization program and, together with their federation, we are continuing the fight to abolish the countervailing duties imposed by the United States.

For milk producers, we abolished the milk price freeze and granted an increase of 47 cents per hectolitre.

We will make GATT see the light about yogourt and ice cream, Mr. Speaker. We want to strengthen Article XI of GATT, which fully protects us from certain imports.

The Hon. Member for Beauce is a strong defender of Quebec agriculture. We believe in the value of our marketing boards, our joint plans and our quotas!

Our farmers have made sacrifices, got organized and disciplined themselves. Believe me, we will protect ourselves!

The Conservative Members from Quebec are attentive and alert and my Government understands agriculture.

* * *

[*English*]

YUKON

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, today I have the great pleasure of welcoming a new premier into the Canadian constitutional family. Not only a new premier but a Social Democrat premier.

• (1410)

Yesterday, celebrating the tenth anniversary of responsible government in the Yukon, and acting upon the authority granted to the Yukon by a Progressive Conservative Government, the hon. Tony Penikett abolished the title "Government Leader" and instituted the title of "Premier".

Authority for this action was expressly granted on October 10, 1979, by the Minister of Northern and Indian Affairs.

As Premier Penikett stated: "The colonial title of government leader is not recognized anywhere outside of the north."

I welcome this New Democrat premier into the fold. I trust that the Prime Minister will do the same and that we will, finally, see the duly elected leader of the Yukon government as an active participant in all First Ministers conferences.

Some Hon. Members: Hear, hear!

* * *

ROYAL CANADIAN MOUNTED POLICE DRESS CODE

Mr. Al Johnson (Calgary North): Mr. Speaker, it is with considerable sadness that I rise today to ask Canadians for tolerance and understanding on an issue of great concern to many.

As you know, numerous petitions have recently been filed with this House regarding the allowance of cultural dress and religious symbols in the code of dress of the RCMP. These petitions and the related controversy have given rise to unfortunate incidents of prejudice and racism that are directed at the Sikh community.

We all must and I am sure do deplore and condemn this intolerance and prejudice. This is fundamentally an argument about human rights, cultural identity and the very nature of our multicultural mosaic. Racism has no place.

The Sikh community has a long tradition of living in harmony with other cultures all over the world. I am sure that men of good will can resolve this issue in a way which is consistent with our Charter of Rights and in a way that also celebrates not only our cultural diversity but also the traditions that unite all Canadians.

* * *

HUMAN RIGHTS

Mrs. Christine Stewart (Northumberland): Mr. Speaker, today, the United Nations Day of Solidarity with South African political prisoners, I wish to take this opportunity to remember the thousands of political prisoners who have been imprisoned in South Africa for their struggle against the racist policies of apartheid. Last night, South African president de Klerk announced the immediate release of eight long-term political prisoners, the desired effect obviously being to deflect criticism during the upcoming Commonwealth Conference. This action is to be applauded but it is insufficient.

The release of eight prisoners who have served up to 26 years in jail in South Africa does not represent the end to the policy of apartheid in South Africa. South

Africa has just come through a national election where not one black person was able to vote, this in a population whose majority is black.

Four years ago, before the United Nations General Assembly, the Prime Minister committed to increased sanctions against South Africa if apartheid was not dismantled. Apartheid is still alive and well in South Africa and those opposed to apartheid in South Africa urge Canada and other nations to step up the pressure not decrease it. Sanctions are working. Do not stop now.

Today, in particular, we must remember the hundreds of political prisoners who yet remain imprisoned in South Africa and their struggle to overthrow the oppression of the apartheid system. Canada must represent their interests before the Heads of State Commonwealth Conference and exemplify its own commitment to continue to fight apartheid by furthering sanctions now.

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[*Translation*]

PULP AND PAPER INDUSTRY

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, today I would like to point out to the House the excellent performance of Tembec Inc., a pulp and paper company located in Témiscamingue, in my riding. Tembec was chosen for one of the 1989 Canadian export awards of excellence. For Tembec, Mr. Speaker, that is a well-deserved honour which is due to the dynamism of its president, Frank Dottori, and a staff of remarkable ability.

This Canadian export award of excellence honours Canadian companies that not only increased their exports but also exported new products successfully or reached new markets.

The winners are chosen from among hundreds of candidates by a selection board made up of Canadian personalities, in particular, business people, union leaders, journalists and officials of the Department of External Affairs and of International Trade Canada.

So, Mr. Speaker, I congratulate Tembec, its president and all its employees!

[*English*]

EDUCATION

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, the Prime Minister has anointed himself the "Education Prime Minister". In a speech to the Conservative party in August, the Prime Minister proclaimed that: "this government will carry its fair share of the burden to ensure that all young Canadians receive a first class education as they confront a world class challenge".

The Prime Minister also said that education will be a high priority at the next First Ministers' Conference, and he would advocate a collective study of Canada's education system.

These are admirable goals, but unfortunately the reality of this government's commitment to higher education is totally inadequate. This week the government will introduce Bill C-33, which will slash federal expenditure on education by $650 million over the next five years. When the effects of the last cuts by this government in 1986 are included the totals are staggering. Over a nine year period, between 1986 to 1994, this government led by an education Prime Minister will cut close to $7 billion from federal transfers devoted to post-secondary education.

Yesterday, to add insult to injury, a senior federal official was quoted as saying that education discussions with the provinces are to be held in private because: "What we are going to say about it, you are not going to want to hear in public".

On behalf of all Canadians who support the improvement of higher education in Canada, I demand that the First Ministers discussion take place in public and that this government immediately withdraw the destructive Bill C-33.

* * *

TRANSPORTATION

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, Manitoba's historic role as a Canadian transportation centre is eroding. Over 3,000 CN and CP employees have lost their jobs in Manitoba over the last eight years. The recent savage cuts in VIA Rail will hasten this erosion. This is appalling since Manitoba has major

advantages as a transportation hub. It is located at the geographic centre of the country and has strong representation of both federally owned and private transportation companies.

The federal and Manitoba governments acknowledged the importance of Manitoba's transportation sector in 1984 when they initiated two transportation agreements. But these agreements are expiring with no renewal of commitment. Maintaining Manitoba as a transportation centre is vital not only to the well-being of Manitobans, but also to the provision of efficient transportation to all Canadians. Nothing will fill the void. Thus I urge the government to take action to repair the damage and restore Manitoba's rightful role as a Canadian transportation centre.

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CANADIAN WINE INDUSTRY

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, the Canadian Wine Institute, composed of 17 companies, operating 30 wineries and representing 80 per cent of Canadian wine producers, has recently announced its support in principle of the proposed goods and services tax.

The wine industry has been adversely affected under the current federal sales tax which is applied at the manufacturer's level. Subsequent tax cascading results in an inflated price for Canadian wine. Given the current rates of excise tax and provincial mark-up levels, Canadian wines would be more affordable once the GST was in place. As a result, domestic wines would be much more competitive with imports.

In the past, individuals have expressed concerns about the wine industry's ability to compete in the world market. We should continue this concern and give the wine industry the ability to compete in the international marketplace. Replacing the federal sales tax will enhance its capacity to do so by making Canadian wines more affordable for consumers

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[*Translation*]

NEW DEMOCRATIC PARTY

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, when I listen to the Hon. Member for Esquimalt—Juan de Fuca, Mr. David Barrett, who is running for the leadership of the New Democratic Party, I am astounded at the Hon. Member's failure to understand what Quebec is all about and at his lack of political maturity in wanting to capitalize on anti-French sentiment.

I think he would do well to visit the people of Quebec and listen to what they have to say.

If he does, he will be surprised at the vast movement that is forming today in Quebec. Independence is no longer the sole concern of people in the Parti Quebecois.

For several weeks, provincial and federal Liberals have been coming to see us, and they say that if the Anglophones turn us down, this time it will be independence.

Mr. Speaker, the Hon. Member for Esquimalt—Juan de Fuca is running for the leadership of one of Canada's political parties, but if he doesn't change his approach, he may well become the leader of a political party without a country.

ORAL QUESTION PERIOD

[*Translation*]

FINANCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. The Government has just called its star witness in the goods and services tax affair, and I am referring to the former Minister of Finance of New Zealand, who is now Minister of Police.

I am sure all Members appreciate Mr. Douglas' good will. However, does our Minister of Finance realize that after the goods and services tax was introduced in New Zealand in October 1986, New Zealand registered a negative growth rate; New Zealand went into a period of economic recession; inflation was over 15 per cent; the cost of food rose 10 per cent in one month; the number of jobs dropped by more than 3 per cent, and finally, New Zealand's exports, which until then had increased by over 9 per cent, dropped by 0.1 per cent?

An Hon. Member: That's true!

• (1420)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me remind my friend that Mr. Douglas was the finance minister for the Labour party of New Zealand, not for the Conservative party of New Zealand.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): So what?

Mr. Wilson (Etobicoke Centre): He was asked, I think, almost the same question as the Leader of the Opposition has just asked concerning the economic performance that New Zealand has had in recent years. The answer that he gave was quite simple. They have made an awful lot of changes in New Zealand, one of which was the GST.

But there was a very large amount of deregulation—

Mr. Axworthy (Winnipeg South Centre): Sounds familiar.

Mr. Wilson (Etobicoke Centre): —that resulted in a substantial amount of economic disruption in that country which resulted in some slow-down in the economy. But I believe that in recent years we have seen that that economy has performed quite a bit better. The conclusion that Mr. Douglas drew was, certainly, if New Zealand had not done those things the economic performance of the country would have been considerably worse.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): That is exactly what Mr. Douglas said.

Mr. Turner (Vancouver Quadra): Mr. Speaker, he was a great star witness. Yes, he is a member of the Labour party. He happened to be the Minister of Finance who brought in the GST in New Zealand. He was also a member of a government that brought in free trade with Australia, privatization and all three of these elements resulted in the negative figures I have just recited to the House of Commons.

Speaking of a tax grab, I have a supplementary question for the Minister of State for Fitness and Amateur Sport, who has been left out of this current debate.

Some Hon. Members: Oh, oh!

Mr. Charest: A slow day.

Mr. Turner (Vancouver Quadra): The minister says it is a slow day. Yes, it is a slow day. We are coming to you. I have no doubt that the minister is clean in his response.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Every minor hockey league in this country will have to pay a 9 per cent tax for arena rentals. Every 14 year-old who joins a minor hockey league or a figure-skating club will have to pay a 9 per cent tax. Every child who enrolls in a swimming course will face a 9 per cent tax. And this minister, who represents the young people of this country and the athletes of this country, has done nothing to protect Canadian children from engaging in sports programs.

I think the House should recognize that this government is putting a 9 per cent tax on the future Alex Baumanns, the Carolyn Waldos, the Kurt Brownings, the Gaetan Bouchers and the Mario Lemieux. Since little leaguers do not have the massive lobbies that have appeared before this committee of the House of Commons, why has the minister not been speaking out in favour of sports and young people of this country to protect them from this massive 9 per cent tax?

Mr. Wilson (Etobicoke Centre): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Charest: Pick on somebody your own size, John!

Some Hon. Members: Oh, oh!

Mr. Speaker: After the right hon. gentleman's speech I should probably call for questions and comments. The Minister of Finance.

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): We are working out our game plan, Mr. Speaker.

Talking of little leaguers, I am happy to answer the Leader of the Official Opposition in saying that this government has been very attentive to the area of sports to the point where we have created a great deal of activity in the area of fair play, for example, so that we could deal with what we think is the most important issue for young athletes in this country, which is fair play. That is why we have the Fair Play Commission.

As for the sales tax issue, all I can say is that there will be more money for sport and for parents in this country so that young children can enter into sport activity if the finances of this country are in good shape. That is common sense.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Prime Minister has left for an international trip when he gets back I will advise him to put the minister on waivers.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I see the Minister of Communications here and I would like to put a question to him. I am surprised he is not in Hollywood as an advance man for the Prime Minister.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, we ought to note in this House that artists, orchestras, dance troupes, opera companies, playwrights and regional theatres will all be hammered by this 9 per cent tax. According to a study prepared for the Canada Council by Woods, Gordon Consultants reporting to the minister, performing arts organizations will pay up to seven times more federal tax than they currently pay.

Why has the Minister of Communications not done anything to keep Canadian cultural groups from being wiped out by this tax Why is the Minister allowing his colleague to impose a tax on the future Karen Kains, k.d. langs, the Denys Arcands, the Robert Batemans, the Gilles Vigneaults and Anne Murrays of this country? Why has he not stood up for the artistic community in this country to protect our Canadian identity?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, my Department has been examining and analysing this matter for several months. I had a chance to discuss the issue with my provincial colleagues in Winnipeg last week, and I gave them the assurance that the Government, in this area as in all others, would act responsibly. In fact we have proved that in other areas since 1984. The cultural sector has increased its percentage of the Government's discretionary spending from 5.4 to 7 percent, and the Government intends to keep up the good work, Mr. Speaker.

[*English*]

TRADE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister for International Trade. In a speech on October 2, the minister said: "The availability of concessional funding for trade has been instrumental in providing equal footing for our exporters".

Yet today we learn that the government is cancelling the funding for trade. There will be no concessional funding until next April. Can the minister tell us why, at a time when our exports are at a ten-year low when the rate of our dollar is crippling our exports, the government has added another crippling blow in our ability to compete abroad? Will he undertake to explain to his colleague, the Minister of Finance, that exports abroad will create jobs for Canada, will create more wealth and that is the best way to deal with the deficit?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman forgot to mention in his prologue—I suppose that is what you would call it—that the current account reference levels this year have increased 66 per cent over last year, going up in the Estimates from $75 million to $125 million and I think it is likely there will be supplementary estimates which will further increase that. There is a considerable increase in the spending for export credit financing. We have been doing so well that Canadian exports and the need for support is increased even at a faster rate than the amount of money that the House has voted in the Estimates. So the hon. gentleman's complaint is that we are doing too well.

• (1430)

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, my complaint is that we are running a current account deficit with every single country in the world. Our exports are at a 10-year low, and our trade market is falling out of the bottom. This government is doing nothing about it.

We want to know why it is, at a time when our so-called favoured trade market has just increased a $100 million war chest to go after our markets with the Pacific Rim while it has had $200 million for additional export financing for agriculture, this government is cancelling concessional financing for our own compan-

ies. Are we just surrending finally and getting out with a whimper, or is this government going to stand up for Canadian business for a change?

Mr. Crosbie: Mr. Speaker, I suppose we will have to decide whether we want to believe the hon. trade critic for the Official Opposition or whether we want to believe impartial experts, for example—

An Hon. Member: Like you?

Mr. Crosbie: I am an impartial expert, but I will refer to others in my modesty, Mr. Speaker.

There was an article in *The Financial Post* of September 23, 1989: "Signs point to trade upswing; new export chances will boost Canada's surplus". The picture the hon. gentleman painted is an entirely false picture.

* * *

THE ENVIRONMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in the absence of the Prime Minister and the Minister of the Environment, I have a question for the Minister of National Health and Welfare.

Earlier today, simultaneously in Chicago and Toronto, there was an alarming report produced by the Institute for Research on Public Policy jointly with the oldest conservation in the United States. According to this report the situation in the Great Lakes has been getting worse. In their words, there is an environmental crisis and the health of humans as well as that of wildlife continues to be threatened.

Yesterday, in anticipation of this announcement, the minister of health recycled an old election promise by saying that the Conservative government would spend $1 per Canadian per year for the next five years to deal with this crisis. Since the Prime Minister in the election campaign said: "No area is higher on our environmental priority list than the Great Lakes themselves", I want to ask the minister why in that time has the government done nothing in the Great Lakes and what makes him believe that $1 per Canadian per year for the next five years is at all adequate?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, first of all the premise of the hon. member's question is wrong. We have had programs in place for a good deal of time dealing with the Great Lakes.

What this commitment yesterday represents is a doubling of the federal commitment to clean up the Great Lakes. It represents an effort being made to cut down on new pollution going to the Great Lakes. It represents an effort to clean up the 17 hot spots around the Great Lakes in Canadian or binational territory. It represents for the first time a major new effort to get fundamental information that we need about the health effects of pollution in the Great Lakes. The hon. gentleman feels that is not important; I think Canadians will disagree with him, and I think that Canadians will feel that this initiative announced yesterday is of fundamental importance to every Canadian.

Mr. Broadbent: Mr. Speaker, the minister's rhetoric is no different from the Prime Minister's. We saw the action that was taken since then and the action is zero. When the government was elected in 1984 there were 17 toxic spots on the Great Lakes. There are 17 today. It hasn't changed one bit. No money was spent on the Great Lakes in the past year to deal with this situation.

My question to the minister is this: Since there are 6 million Canadians drinking the water in the Great Lakes system that according to these reports today leads to birth defects, tumours, and nerve and brain damage on human beings, when is the government going to start delivering the goods? What makes him think that moving from 50 cents per Canadian per year to $1 per Canadian per year is anywhere adequate to deal with the serious problem?

Mr. Beatty: Mr. Speaker, I do not know whether the hon. gentleman has actually bothered to read the report. I have. I do not know if the hon. gentleman has actually bothered to look at what sort of research has been done to date on health effects, but I can say that my department believes that a new initiative of some $20 million to look at the health effects—

Mr. Broadbent: It's peanuts.

Mr. Beatty: "Peanuts", says the hon. gentleman; just $20 million, he says. Don't bother doing it, he says; it is not important. Well, he is wrong.

It is time that Canadians had this sort of information so that we knew exactly what were the threats to specific populations, so that we knew what measures could be taken to protect them, and so that we could ensure that efforts were being made to clean up these environmental

hot spots and that Canadians had conditions in the Great Lakes which enhance human health and which do not threaten human health. We believe this is an important initiative.

Mr. Broadbent: Mr. Speaker, I repeat, in the four years leading up to the last election there was nothing done about the 17 spots. This great promise was made in last year's election. There is no greater priority than the Great Lakes and nothing has been done in the year since. The people have given up on the Government of Canada when it comes to the environment.

[*Translation*]

Mr. Speaker, in the United States, the Environmental Protection Agency published a list of major polluters, and as a result, because of this humiliating disclosure, some of these polluters, have changed their practices. Will the Canadian Government publish a similar list here in Canada?

[*English*]

Mr. Beatty: Mr. Speaker, let me first correct the hon. gentleman, if he has any interest in facts. He says that nothing has been done with regard to those environmental hot spots around the Great Lakes. That is simply false.

The hon. gentleman should know full well, if he does not, that the amendment to the 1978 Great Lakes Water Quality Agreement, the 1987 Protocol which was negotiated by Canada and pressed for by Canada, was designed to put the responsibility on both governments on both sides of the lakes to clean up these hot spots and to take further action. That is exactly what we have been doing. We have been putting in place remedial action plans.

One of these hot spots—

Mr. Broadbent: The situation is getting worse, not better.

Mr. Beatty: Mr. Speaker, the hon. gentleman screams across his suggestions about what we should be doing. Let me suggest to him that he listen for a minute because he obviously is in need of facts.

In this fund we have set aside there is money for cleaning up those hot spots. There is money to be put in place to prevent pollution of the Great Lakes. There is money to be put in place to ensure that we have information about the environmental threat to human health. Members of the NDP says that doubling the federal effort is inconsequential. I think they are wrong, and I think this initiative is important for Canadians.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is also for the Minister of National Health and Welfare and it also deals with the recycled garbage that the government is parading as environmental policy.

I would like to refer the hon. minister to a statement made by the Prime Minister in Hamilton one year ago when he was on the election trail. He stated that of the $125 million being set aside for the Great Lakes action plan $75 million would be spent specifically on cleaning up the 17 hot spots. In the minister's own statement yesterday on page 3 that amount has shrunk to $55 million, a $20 million drop in the amount of money being spent to clean up the Great Lakes.

I would like to ask the minister who authorized the $20 million cut and, if there is a need for a study, why did he not add $20 million as a separate add-on in light of the potential for brain damage and the other incredibly disturbing evidence we have seen in the report tabled today?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, the hon. member refers to this announcement of $125 million being committed to Great Lakes clean up as recycled garbage. It is $125 million more than the Liberal government was prepared to put into cleaning up the Great Lakes. All that we had was talk from them.

Some Hon. Members: Hear, hear!

Mr. Beatty: The hon. member refers to $20 million less in terms of the clean-up program. That is because we created a $20 million health effects fund to allow us for the first time to get—

Ms. Copps: That's right, it's not cleaning up.

Mr. Beatty: Again the hon. member shouts from her seat. Perhaps she could listen. We created a $20 million health effects program which was designed to give us the very sort of information the hon. member alleges she has already and does not need. We also indicated that we are

prepared to add to that fund after 1992 if it is necessary to do so in the clean up of those 17 hot spots.

The hon. member may not feel that it is important to have a study of the health effects, to be able to identify what threats there may be to specific populations such as foetuses, infants, our native population, and others who consume large amounts of water fowl and fish. We believe that information is essential. As Minister of National Health and Welfare I believe this important new initiative will be very important for the health of Canadians.

Ms. Copps: Mr. Speaker, one of the 17 hot spots is in my riding, and if the minister wants to know—

• (1440)

Some Hon. Members: Oh, oh!

Ms. Copps: He may laugh about the fact that 9 million Canadians are drinking water that could lead their children to brain damage. Of course I have a concern. I have had a concern and consideration for many more years, and I do not need the minister's lectures.

[*Translation*]

Mr. Speaker, what is the position of the Minister of the Environment on this issue? Is the Minister of the Environment attending the International Joint Commission's conference? No, Mr. Speaker, because the Minister of the Environment is doing a tour—

[*English*]

He is doing a tour of the Rhine wine valley and he is studying pollution in Paris. Where is the Minister of the Environment of Canada when he is confronted with one of the most disturbing studies in the history of the Great Lakes? He is off studying the Rhine pollution problems and pollution in Paris. I would like to know where the minister is.

Mr. Beatty: Mr. Speaker, I trust that I will be given equal time to respond to that speech.

The hon. member says that one of the hot spots is in her constituency. One of the hot spots is in my constituency as well in Collingwood Harbour. My constituents will welcome this announcement and they will feel that the new effort being made to protect the health of people who are living on the Great Lakes and who are affected by it is an important advance in terms of serving the needs of Canadians. The hon. member may not feel that it is important to her constituents. It is certainly important to mine.

The hon. member dismisses contemptuously the fact that the Minister of the Environment is in London, Bonn and Paris for bilateral meetings with European environment ministers, with the French Prime Minister, Mr. Ricard, and with the Secretary General of the OECD.

If the hon. member knew anything about the environment she would know that the environment is an international matter that requires concerted international action. We believe that the efforts of the Minister of the Environment in Europe are essential in terms of encouraging concerted international efforts to protect Canada's environment.

* * *

VIA RAIL

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, my question is directed to the Minister of Transport who announced the VIA cuts last week and who announced the cut in the Canadian.

Across northern Ontario there are two rail lines. The rail line chosen to continue this passage across northern Ontario was a CN line that services a population of about 5,000 people. This decision eliminates passenger rail service on the CP line from Sudbury to Chapleau, White River, Marathon, Nipigon, Thunder Bay, Dryden, Kenora, and on to Winnipeg. The route services a population of over 350,000 people.

This decision is obviously an error: servicing 5,000 people instead of 350,000 people across northern Ontario. If the minister persists in going ahead with the VIA cuts, will he at least agree to use the route that services the most people across northern Ontario?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I know of the concern of my colleague for northern Ontario, but he knows very well that when we have to make a decision in terms of the national service we have to make difficult decisions.

In the case of northern Ontario we have to consider that there are a few communities that do not have any other mode of transportation while in Thunder Bay and in Sudbury, we have good air transportation, roads, and so on. He understands very well that in the decision that we made we considered that it was better at the time to keep the service for what we called the remote commu-

nities rather than for Thunder Bay and Sudbury which, once again, have better modes of transportation.

Mr. Comuzzi: Mr. Speaker, it seems that that decision was made more to look after the interests of CN and Mr. Lawless than the interests of the people of northern Ontario.

I can assure the minister that I am familiar with those routes in northern Ontario that he talks about, and this is not a question of servicing nine remote routes. Those areas that are serviced by the CN route can be serviced by other transportation modes at less expense.

I return to the question. Is it more important to service 5,000 people in northern Ontario or the 350,000 people who are being denied passenger rail service throughout northern Ontario? Will the minister make the change in that fundamental error in his business plan?

Mr. Bouchard (Roberval): Mr. Speaker, indeed I want to make a change, and I think my friend basically understands that. Yes, perhaps it is just 5,000 people, but once again, I repeat what I said, and it has been a scenario we have used for the whole country.

We have people in this country who do not have any other mode of transportation. I understand the problem of Thunder Bay and Sudbury particularly, but in Thunder Bay and Sudbury there is a very good air transportation system.

Once again, people will continue to use the other modes of transportation. In the mean time, we have to serve all Canadians. Very honestly, that is what we tried to do in the decision we made last week.

* * *

THE ENVIRONMENT

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, my question is also directed to the Minister of National Health and Welfare and it concerns pollution in the Great Lakes system. When the minister responded to my leader a few minutes ago, he said that since this government was elected in 1984 it had acted on pollution.

I want to remind hon. members that once the government was elected in 1984 the Canadian wildlife service was cut by 23 per cent, the toxicology research centre was closed, the wildlife interpretation centre was closed, and the Great Lakes pollution monitoring program was eliminated. There was an exhaustive report on pollution which came out of National Health and Welfare. That report was killed by the Department of the Environment.

I want to ask this minister whether or not this government is prepared to respond to the real concerns of the people who live around the Great Lakes system and take a real commitment to cleaning up that source of danger to health.

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, not only are we prepared to do so but we have done so. It is precisely what we did yesterday by announcing a fund of $125 million designed to do precisely that.

In addition to that, since we were elected this government has renegotiated and strengthened the Canada–U.S. Great Lakes Water Quality Agreement. We have maintained substantial research and monitoring programs to identify and assess toxic problems. We have helped develop with Ontario remedial action plans for 17 areas of concern where water quality is impaired. We have had co-operative studies in development of management plans with the U.S. on the Niagara River, Lake Ontario, and the upper lakes connecting channels. We have had annual expenditures in support of the Great Lakes Water Quality Agreement of $18 million.

Now we have doubled that federal effort and taken an important new step in terms of protecting the Great Lakes.

Mr. Young (Beaches—Woodbine): Mr. Speaker, I have a supplementary question directed to the same minister. Canadians know that this government's commitment toward cleaning up the environment so far has been zilch.

The minister's government has promised since as far back as I can remember to bring in a safe drinking water act in co-operation with Ontario or provincial governments. Why does he not do that? Why does he not at least respond in a positive way to proposals that have been put forward by municipal governments right across this country to pour some money into cleaning up the serious sewage problems that exist in every major city in

Canada? Instead of rejecting that out of hand why does he not do something concrete about it?

Mr. Beatty: Again, Mr. Speaker, $125 million is nothing concrete to the NDP. It is nothing substantial. We believe that $125 million is substantial.

The hon. member asks about the safe drinking water act. If the hon. member had been here for the Speech from the Throne he would know that we are committed to introducing a safe drinking water act.

There are a number of important steps that have been taken already. The doubling of the federal effort in the Great Lakes will help to move us forward to the point where the Great Lakes will represent an asset to human health and where there is adequate protection for Canada's fragile environment.

* * *

NUCLEAR POWER

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Mr. Minister, this is about nuclear power in New Brunswick.

In view of the fact that your department and Atomic Energy Canada Limited are considering prospective locations for construction of a prototype Candu III reactor; in view of the fact that the management and operation of the Point Lepreau I plant by New Brunswick Power is rated by experts as second to none in the world for efficiency and safety; in view of the fact that New Brunswick is reported to be seriously reviewing its previous long-term plans for wood and coal-fired thermal generating units, recognizing the serious carbon dioxide emissions posed by fossil fuels, Mr. Minister; and in view of the fact that a potentially sound market for the export of electricity exists into New England, can you please advise this House if you have received a formal expression of interest from the province of New Brunswick to enter into official negotiations for establishment of the Candu III reactor in New Brunswick?

• (1450)

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased that the opposition is so interested in the subject. I want to tell my colleague that AECL and the Government of Canada have been discussing with New Brunswick Power and with the New Brunswick government the possibility of Lepreau II.

As you know, Mr. Speaker, New Brunswick Power is looking at whether or not to expand its thermal units, the Belledune units, and at both cost effectiveness as well as the CO2 emissions that result from thermal power.

I can tell the hon. member that Lepreau I is one of the best and most efficient operations in the world and, if we can negotiate a Lepreau II in New Brunswick, it would be a Candu III which would be a prototype of the next generation of reactors. As well, we would be interested in seeing what we could do in terms of the industrial benefits that would take place in that province as well.

Mr. Bird: Mr. Minister, I did not hear clearly whether you had received an expression of interest from the province of New Brunswick formally. If you have, would you be willing to enter into official negotiations with that province?

Mr. Epp: Mr. Speaker, we obviously are discussing it with New Brunswick and would be interested in formal negotiations. I think it is up to the New Brunswick government to make the ultimate decision as to whether or not to go with the nuclear option or whether to pursue Belledune.

* * *

FISHERIES

Mrs. Coline Campbell (South West Nova): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. The closure of the Lockeport plant has effectively left that community without employment. This is the reality of the minister's groundfish management plan. Thousands of workers in communities like Lockeport are out of work.

I ask the minister what is he recommending to the special cabinet committee as an alternative livelihood for the plant workers in places like Lockeport, Digby Neck, Argyle, and many other places that are being left destitute by this minister's management plan?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member and other colleagues know that the Canadian fishery is managed on the basis of establishing quotas scientifically to ensure the sustainable development of those resources.

There are certain of the Atlantic groundfish stocks, especially those in the Scotia–Fundy region, which have been depressed over recent years, and one reason for that has been the excessive overcapacity in that fleet. This is an important element of the discussions that are occurring before the special committee that is headed by the hon. Secretary of State for External Affairs. When we have initiatives to report, they shall be reported in the appropriate way.

Mrs. Campbell (South West Nova): My supplementary question is again directed to the minister. The minister claims that there is no quota left to go around in his management plan. Yet, under the current groundfish management plan the offshore fleet in Nova Scotia still has 43,500 metric tons in Newfoundland and the gulf and 20,000 metric tons in 4VWX and 5, an amount that they cannot catch between now and the end of the year. I do not know what type of mathematics this minister needs to hear about.

Knowing this and knowing of the hardships that exist in all those communities in Nova Scotia such as Lockeport, I ask the minister whether he will ask the transfer committee that met last week, under his discretion, to reconsider the request of the inshore representatives who asked that 13,000 metric tons in the Scotia–Fundy 4VWX and 5 be transferred to the inshore to salvage the livelihoods of the many communities that are going destitute. The minister is over there and that special cabinet committee is not even meeting.

Mr. Siddon: Mr. Speaker, I beg to differ with the hon. member. The committee is indeed meeting and will report in due course. At the same time I should point out that the closure of the Lockeport plant of National Sea is part of a series of decisions that National Sea has to take regrettably because there are not enough stocks available to it in the offshore allocations.

Now the hon. member is asking me to transfer more fish from the offshore to the inshore who consumed their full quotas with the exception of the fixed gear inshore fishery, much of which is still fishing and will continue to do so for some weeks to come yet.

UNEMPLOYMENT INSURANCE

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, my question is for the Minister of Employment and Immigration who seems to spare no efforts to make unemployment insurance benefits available only to the privileged few.

I refer to Bill C–21's punitive measures which are going to deprive many unemployed of the benefits. Her department, not content with the punitive measures of the bill, appears to be preparing regulations to circumvent a federal appeal court decision of last April 14 that the commission was incorrectly and improperly interpreting the regulations regarding vacation pay and severance pay, thus depriving the unemployed of up $100 million per annum in benefits to which they are legally entitled.

Is the minister's department in fact preparing such changes to the regulations to get around this court decision?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, everyone in the House knows the meaning of the word "interpretation". This is a good example of interpretation applied to our daily lives.

Our officials drafted an interpretation of the regulations, published in 1985. The court handed down another interpretation in April 1989. Our officials apply the regulations consecutively, while the court suggests doing so concurrently.

Since the court's decision, our officials have, of course, acted accordingly.

Mr. Volpe: Mr. Speaker, the regulations are not within the purview of Parliament and its committees.

Since April 14, the Minister's department has acted as though the Appeal Court's decision had no significance for its interpretations. As a result, it was able to save up to $100 million annually, at the expense of the unemployed.

If the court's decision does not satisfy the Minister, is she prepared to table new legislation for consideration

by the House, and if she feels the decision is fair and satifactory, is she prepared to give specific instructions to her officials to obey the law and the court's decision?

Mrs. Vézina: Mr. Speaker, here is another example of interpretation.

I just said that since the court's decision, our officials have applied the concurrent method suggested by the court.

As a responsible government, we are now drafting an amendment to the regulations to be able to observe our policy—

Some Hon. Members: Oh, oh!

Mrs. Vézina: —which relies on the consecutive method.

* * *

[*English*]

NEWSPAPER ADVERTISEMENT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a question for the Deputy Prime Minister regarding integrity in government. He would be well aware of yesterday's ruling regarding the use of taxpayers' money to advertise the Conservative party's tax policy.

Mr. Speaker: Order, please. The hon. member of course can ask a question, but I think hon. members might agree with me that it is not appropriate to interpret a ruling of the Chair in a preamble. I would hope the hon. member would desist from doing that.

• (1500)

Mr. Riis: Mr. Speaker, I appreciate your intervention. I will simply ask the Deputy Prime Minister if, in recognition of the ruling, he would do the right thing, the honourable thing, the decent thing, and use the PC Canada Fund to pay for the ads as opposed to the taxpayers of Canada.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am not sure whether the hon. member is placing an interpretation on the ruling or not. Having regard to the ruling that was rendered by yourself in this House, Sir, we respect your ruling. We will live by it as we always have and always will.

Mr. Speaker, my understanding was that you did not find a prima *facie case* of privilege—that was my understanding—but that you did render an admonition and established some guidelines. Of course, in future the government will be cognizant of those guidelines.

An Hon. Member: He did not answer the question.

Mr. Riis: Mr. Speaker, I think for a lot of Canadians living by the ruling would mean paying for those ads from the Conservative Party political fund.

I wanted to give the Deputy Prime Minister an opportunity. I am surprised that having had that opportunity he would not take it and do what, in everyone's mind, is the ethical thing to do, that is to use the PC Canada Fund to pay for ads that obviously should have been paid for on a political basis.

Will the Deputy Prime Minister do what has to be the honourable and the decent thing and make those payments from the political fund of his party?

Mr. Mazankowski: Mr. Speaker, if the hon.—

Mr. Speaker: Order. I am having very great difficulty finding how that question, aimed at what should or should not be done with the PC Canada Fund, has anything to do with the administration of government. It has to do with a political party and I would apply the same rules to either side of the House.

The hon. member for Notre-Dame-de-Grâce.

* * *

[*Translation*]

EMPLOYMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Yesterday, the Canadian Labour Congress reported that since the beginning of this year, more than 60,000 jobs have been lost in this country. Today in Montreal, it was announced that 500 Domtar employees will be laid off next month. My question is: When will the Government be prepared to take these job losses seriously? Yesterday's answer that thousands of jobs have been created is not satisfactory, because the majority of these jobs are temporary and pay the minimum wage. Mr. Speaker, Canadians now want real jobs, not lay-offs!

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, from September 1984 to September 1989, 160,000 jobs were created in the Montreal area. That is pretty good. The unemployment rate in Montreal, which was 11.3 per cent, has dropped 8 per cent. We are proud of that record. During the previous

government's term, from 1980 to 1984, 4,000 jobs were lost in Montreal, Mr. Speaker.

[*English*]

If he wants to know about full-time and part-time jobs, in the last year in Canada there were 189,000 jobs created by the end of September as compared with 164,000 the year before, of which 86 per cent were full-time.

Mr. Speaker: I regret to advise the hon. member that, although I know he would like to put a second question, by looking at the clock I think that Question Period is over.

ROUTINE PROCEEDINGS

[*Translation*]

VIA RAIL

TABLING OF DOCUMENT ON ENVIRONMENTAL IMPACT OF SYSTEMS CHANGES

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, a document entitled *Changes to the VIA System: Possible Environmental Impact*.

* * *

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the government's responses to several petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

[*Translation*]

BILL C-16

TABLING OF LEGISLATIVE COMMITTEE REPORT

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I have the honour to present the report of the Legislative Committee on Bill C-16, an Act to establish the Canadian Space Agency and to provide for other matters in relation to space, with amendments, in both official languages.

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STRIKING COMMITTEE

TABLING OF STANDING COMMITTEE REPORT

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the fifteenth report of the Striking Committee.

[*Editor's Note: See today's Votes and Proceedings.*]

[*English*]

CONCURRENCE IN FIFTEENTH REPORT

Mr. Jim Hawkes (Calgary West): Mr. Speaker, if the House gives its consent I would like to move, seconded by the hon. member for Ottawa—Vanier, that the fifteenth report of the Striking Committee presented to the House earlier this day be concurred in, and I would suggest that we dispense with the reading of the report. It simply affects naming members to standing committees.

Motion agreed to.

Mr. Deputy Speaker: On a point of order, the member for Calgary Southwest.

Mrs. Sparrow: Mr. Speaker, with your permission would it be possible to return to presenting reports from committees? Unfortunately, I could not hear you back here.

Mr. Deputy Speaker: I am sure the House will agree.

Some Hon. Members: Agreed.

INDUSTRY, SCIENCE AND TECHNOLOGY, REGIONAL AND NORTHERN DEVELOPMENT

FIRST REPORT OF STANDING COMMITTEE

Mrs. Barbara Sparrow (Calgary Southwest): Thank you, Mr. Speaker, I certainly appreciate this opportunity.

I have the honour to present the first report of the Standing Committee on Industry, Science and Technology, Regional and Northern Development on the Main Estimates for the fiscal year ending March 31, 1990, in both official languages.

[*Editor's Note: See today's Votes and Proceedings.*]

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PETITIONS

VIA RAIL

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am pleased to present a petition, pursuant to Standing Order 36, that has been certified correct by the clerk of petitions. This petition is from a number of western Canadians who call upon the government to reconsider the decision to curtail VIA Rail service in much of Canada and to reduce the level of VIA Rail service in other parts of Canada; in a sense, to reconsider its decision on VIA Rail and instead to invest in modernizing VIA Rail so we can join with the rest of the world in expanding passenger rail service as opposed to curtailing it.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, pursuant to Standing Order 36, I have the honour and duty to present a petition to this House. The petitioners ask Parliament to reject the new tax proposed by the Conservative Government.

[*English*]

It is a petition that asks members of the House of Commons to reject the new proposed goods and services tax.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the honour to present in this House a petition signed by constituents in Ottawa—Vanier. It points out that the Conservative Government has inflicted at least 31 new taxes or tax increases on Canadian taxpayers since 1984, that since September 1984, the federal manufacturers' sales tax has been raised from 9 to 13.5 per cent by the Conservative Government, that this same Government wants to impose on Canadians a new universal 9 per cent goods and services tax which they consider bad, that this new tax will be hidden in the selling price, that it will apply to practically everything that Canadians buy and that imposing this new universal goods and services tax will cause serious and unfair difficulties for Canadians with low or moderate incomes.

For these reasons, the petitioners ask Parliament to reject this new goods and services tax.

• (1510)

[*English*]

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I have a petition to present on behalf of a number of constituents of the Minister of Defence who present their idea that the goods and services tax is a tax that is going to harm them and that the government should reconsider it and eliminate it entirely.

NATIONAL ARTS CENTRE

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise to present hundreds of petitions on behalf of the National Arts Centre orchestra, an excellent world-class orchestra which has brought fame to Canada and its capital city, which petitioners believe that the National Arts Centre orchestra is in imminent danger of being damaged or even destroyed and who would wish for a public hearing into this serious matter. I depose for your consideration these hundreds of petitions.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I have the duty to table two petitions. The first contains over 500 names. They are Canadians who object to the tax proposed by the Conservative Government, the goods and services tax. It will be bad for Canadians. It will reduce consumers' spending power by at least 9 per cent. It will have a horrible effect on small merchants and will be dreadfully complicated.

[*English*]

RCMP DRESS CODE

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I have here over 2,000 names of Canadians from across Canada. This petition refers to the RCMP uniform. These petitioners across Canada would like to see the tradition kept regarding the RCMP uniform.

NATIONAL ARTS CENTRE

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I have here several hundred names of petitioners from the National Capital Region. All petitioners duly signed pursuant to Standing Order 36, with regard to the concern over the management of the National Arts Centre and its world-class orchestra. These petitioners are very concerned over the longevity of the orchestra. They humbly pray and call upon Parliament to seek a public inquiry into the management of both the National Arts Centre and its fine orchestra.

PROPOSED GOODS AND SERVICES TAX

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I have the duty and honour, pursuant to Standing Order 36, to present to the House a petition duly certified by the Clerk of Petitions, and signed by some 70 members of the Dundas Senior Citizens' Club. These seniors are standing up and saying that enough is enough. They call upon Parliament to reject the proposed goods and services tax.

I also have a petition from the riding of Hamilton West. In particular, 35 people from Emerald Street North signed the petition. They also call upon this government to reject the proposed goods and services tax.

RIGHTS OF THE UNBORN

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, it is my privilege and duty pursuant to Standing Order 36 to present a petition of some 1,500 names from my constituency of Highlands—Canso. These petitioners deplore the fact that currently in Canada there is no law to protect the unborn.

They humbly submit to Parliament that urgent and decisive action is required on the part of the government to introduce new legislation that will protect the principle of life from the moment of conception. They call upon Parliament to revise the laws of Canada relating to the unborn in order to protect the rights of the unborn.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, pursuant to Standing Order 36, I have the honour and privilege to present three petitions from one of the very small businesses in the riding of Saint-Laurent—Cartierville, asking us as parliamentarians to reject this new tax on goods and services because it will be a very costly burden for small business.

[*English*]

OLD AGE SECURITY

Mr. John Manley (Ottawa South): Mr. Speaker, it is my honour to stand on behalf of 271 constituents from Ottawa South today who are calling upon this House to reject the government's plans to tax back old age security benefits which were paid for by a surtax from the years 1952 to 1971 and continued to be paid for by these petitioners in the years following that.

PROPOSED GOODS AND SERVICES TAX

Mrs. Diane Marleau (Sudbury): Mr. Speaker, it is an honour and privilege to present a number of petitions which have been gathered in my riding by a number of senior citizens who are very frightened. As a matter of fact, they are terrified of what is going to happen to them under the goods and service tax. They ask that this government withdraw its proposal, go back to the drawing board and come up with something that is fairer.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition duly certified by the clerk. It is signed by 30 Canadians who are concerned by the goods and services tax. Their concern is that it is hidden, complicated and is not shared by the provinces, and that it will hit the low and middle-income Canadians.

These Canadians do humbly pray and call upon Parliament to categorically and unequivocally reject any legislation that is brought forward for the purpose of implementing the said goods and services tax.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the privilege of filing a petition under Standing Order 36. The petitioners from the Toronto area are opposed to the goods and services tax proposed

by the government in its advertising campaign. They call upon Parliament to reject this vicious and unnecessary piece of legislation, when and if it is introduced, to avoid unfair taxation of the Canadian public.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I rise pursuant to Standing Order 36. I am proud to present a petition signed by some 35 of my constituents from Kootenay West—Revelstoke, particularly from the cities of Nelson, Rossland, Trail and Castlegar and the municipalities of Fruitvale, Montrose and Winlaw with respect to their opposition to the proposed goods and services tax. They ask Parliament to reform the taxation system so there is an effective minimum tax on wealthy individuals and corporations and, further, that we cause the government to cease with the proposal which will shift the tax burden on to ordinary Canadians through a regressive consumption tax instead of through real tax reform.

LOW LEVEL FLIGHTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, it is my honour and duty to present a petition signed by a little over one hundred residents of Canada in Halifax, Toronto and Manitoba. They are calling on this House to join with the Assembly of First Nations, the Innu of Labrador and other aboriginal peoples of northern Canada to oppose the use of their lands for NATO-NORAD training; specifically, the low level flight training and the proposed NATO base in Goose Bay. They call on this House to redirect Canada's NATO-NORAD funding toward enabling Canada's aboriginal peoples to regain control of their lands and livelihood and promoting sustainable development for all Canadians.

PROPOSED GOODS AND SERVICES TAX

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I have the duty and pleasure, pursuant to Standing Order 36, to present petitions representing the thousands of signatures coming from my riding. These petitions come particularly from the small towns of Campbellford and Hastings, places where the citizens feel they are already suffering unduly from cut-backs to VIA Rail, proposed changes to UI and the clawback of CPP programs. They feel that this would be an inordinate burden for them and they do not feel that piecemeal changes to the proposed legislation would do. They ask this government to repeal entirely the proposed goods and services tax legislation.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I rise to present even more petitions from the towns of Campbellford and Stirling requesting and calling upon this Parliament to reject the proposed goods and services tax.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, as I advised the House last week, the constituents of my riding are up in arms about the goods and services tax. I am pleased to present today three certificates totalling 90 signatures calling upon the government to totally reject any legislation which would implement the goods and services tax which has been proposed by this callous and unfeeling government.

VIA RAIL

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I am pleased today to stand pursuant to Standing Order 36, and present a petition certified to be correct as to form and content by the clerk of petitions. The petition I am particularly proud to present because I collected each of the names myself aboard a VIA train on August 24, travelling with my family from Saskatoon to Ottawa, return. The petition is signed by individuals from all across Canada as well as tourists from England, the United States, Australia, the United Arab Emirates, Japan, West Germany and France. The petition particularly says that VIA is important for tourists, seniors, young people and aboriginal Canadians, and that VIA must be upgraded and have a budget sufficient to maintain its mandate for passenger service.

• (1520)

PROPOSED GOODS AND SERVICES TAX

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, I rise today to present a petition with regard to the goods and services tax. The members of this riding humbly pray that Parliament will reject the goods and services tax as presented.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, it is my pleasure and my privilege, pursuant to Standing Order 36, to present a petition certified correct as to form and content on the GST. It is from many residents of Eglinton—Lawrence, many of whom took the trouble to express their views regarding the goods and services tax, a silent killer of jobs, an unfair tax imposed on all

residents of Canada. They urge and plead with Parliament to withdraw completely the goods and services tax.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, just by way of some information for the House, there are three questions outstanding at the moment; one of which was a priority question, two of which are not. They are numbers 62, 84 and 106. I wanted to bring to the attention of the House that No. 62 is presently at translation and should be back right away. Nos. 84 and 106 are expected very shortly. I would ask that all the remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Deputy Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

Hon. Gilles Loiselle (for the Minister of Finance) moved that Bill C-28, an Act to amend the Income Tax Act, the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, the Old Age Security Act, the Public Utilities Income Tax Transfer Act, the War Veterans Allowance Act and a related Act, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am pleased to have this opportunity to speak on the motion for second reading of Bill C-28, which implements the changes to the Income Tax Act announced in the April Budget of the Minister of Finance.

[*Translation*]

Some fiscal measures have already been presented in this House. Bill C-17 was referred to a committee after receiving concise but thorough consideration during second reading. I trust this Bill will receive the same efficient consideration.

[*English*]

This is not the first budget bill to be discussed by this House as a result of the April budget. Bill C-17, which amends the Customs Tariff Act, received concise but thorough consideration at all stages in this House, I am happy to note, and Bill C-20 amending the Excise Tax is in committee for study. I trust this bill will receive the same efficient consideration as those bills did.

[*Translation*]

I believe, Mr. Speaker, that the measures in the bill now before us have to be seen clearly in the overall context of the budget's goals. As the Minister of Finance stated in his budget, Canada's large and growing debt is a serious problem that must be brought under control so that we can build for the future, not borrow from it. The measures in Bill C-28 make a major contribution to achieving that goal.

I want to be very precise about what I mean by controlling the debt, and about the measures that will contribute to it. Controlling the debt is not an end in itself. It is a means to an end—an essential precondition to the maintenance of our social and other programs, and to the achievement of sustained economic growth, improved competitiveness and the creation of productive jobs.

[*English*]

I believe, Mr. Speaker, that every member of this House shares with this government the desire to reach these goals. We all want an environment in which inflation and interest rates can come down. That means we must have firm, measured and consistent fiscal and monetary policies. Reducing the deficit and controlling the debt are an integral part of our policy approach. The April budget responds to the need for fiscal action to control the debt. It contains a balanced package of measures that places the greater burden on those who are better able to bear it.

On the spending side, our government has made expenditure cuts in areas such as defence, foreign aid, business subsidies and other transfers, payments to Crown corporations and government operations. These are effective in the current year and will have a substantial impact on spending for several years into the future.

These expenditure control measures, together with the revenue measures in the budget, will reduce the deficit by over $5 billion this year and $9 billion next year. This year they will almost offset the rise in interest costs and leave a deficit of $30.5 billion. Next year the deficit is projected to drop to $28 billion and in five years time it will be cut in half.

I want to turn now to the revenue measures of the budget and, more specifically, to review the measures specifically and directly related to the Income Tax Act.

[*Translation*]

With regard to changes made to the personal income tax and the tax itself, Bill C–28 implements an increase in the personal surtax, which will rise from 3 per cent to 5 per cent. As well, an additional high–income surtax of 3 per cent will be applied to federal income tax on income in excess of $15,000. These measures will be phased in over two years, and will be fully applied in taxation year 1990. In 1989 the effect will be that the basic personal surtax will be increased to 4 per cent and the high–income surtax will be effective at a rate of 1.5 per cent.

While acting to bring the public debt under control, the government has examined the tax base to ensure that no Canadian bears a disproportionate level of income tax. This Bill, consequently, includes measures to improve the fairness of the tax base.

Specifically, the Bill introduces taxation of accrued investment income on a annual basis. In this way, taxpayers who invest in contracts which pay interest annually and those who choose to invest in compound instruments will be taxed on a comparable basis.

[*English*]

Measures are also introduced to ensure that lessors of property must recognize leasing profits on a current basis. This enables the government to ensure that the leasing industry bears its fair share of tax and curtails the use of leasing as an after–tax financing mechanism. While these new measures will limit the tax advantages of leasing property, they will not affect the other desirable attributes of leasing. In particular, these measures will allow those people who lease property to claim capital cost allowance as if they had acquired the property directly.

• (1530)

The personal income tax system plays a major role in managing the over–all spending of the government. It does this by providing a basis for income tested assistance and by providing for taxation at progressive rates of most types of government assistance received by individuals. This role is being expanded by measures in Bill C–28.

These amendments provide for the recovery of various types of federal social assistance from those taxpayers who do not need assistance from the government. By moving to a more progressive system, the government is ensuring the continued existence of these programs for taxpayers who need help. By assuring the continued viability of these social programs, this bill is making an extremely important contribution to the maintenance of our social safety net.

[*Translation*]

The budget also included significant measures relating to changes made to the corporate tax system. We believe it is important to ensure that all large corporations pay tax and contribute to debt control. Therefore, effective July 1 of this year, a tax on large corporations was introduced. This tax, which will be levied at a rate of 0.175 per cent on capital employed in Canada in excess of $10 million, will ensure that all large companies pay federal taxes and thus contribute to debt reduction.

We expect that some 3,600 corporations which account for approximately three–quarters of total corporate capital employed in Canada, will be subject to the tax. Together with modifications to the existing corporate surtax, this measure is expected to raise $965 million in additional federal revenue in its first full year of application.

[*English*]

This bill also contains a number of measures dealing with securities lending and dividend rental arrangements. These measures are designed to facilitate the efficient operation of Canada's capital markets while

eliminating the revenue loss arising from certain tax motivated dividend rental arrangements.

The new rules ensure that a securities loan will not be regarded as a disposition of the security and will therefore not give rise to gains or losses for tax purposes. They provide that the lender of a share will be entitled to trade compensatory payments received from the borrower of the share as dividends. To offset the cost of these benefits such payments will be non-deductible to the borrowers.

However, where a person borrows shares only to take advantage of the favourable tax treatment afforded any dividends paid on the shares while they are borrowed, the borrower will now be considered to have entered into a dividend rental arrangement. The borrower will therefore be denied the dividend tax credit or inter-corporate dividend deduction, whichever is applicable.

This legislation recognizes the importance of securities lending in the operation of Canada's capital markets. It will provide greater certainty of tax treatment for investors and securities dealers alike. Together, these measures will facilitate legitimate securities lending but will curtail share lending only for tax purposes.

[*Translation*]

Finally, as a result of ongoing consultations with the securities industry, the deduction for dividend compensation payments for all taxpayers will be disallowed, effective July 1, 1989. In the case of payments made by registered securities dealers, the disallowance will be phased in so that only one third of such payments made before April 1, 1990 will be non-deductible.

Accordingly, the 50 per cent phase-in for the disallowance of dividend compensation payments, announced in the May 26 press release from the Department of Finance, will not be implemented. We will monitor the impact of these new rules to ensure that the Canadian securities industry maintains its international competitiveness.

[*English*]

The government has not forgotten how important it is to ensure that persons who owe income tax actually pay that tax. To encourage taxpayers to pay their taxes on a timely basis, this bill will increase the rate of interest payable on overdue tax payments by two percentage points. A similar increase will be made to the rate of interest paid by the government on overdue refunds. There are also provisions to ensure that corporate tax payments due to the government are delivered on time.

An underlying principle of our government's economic policies is fairness and compassion for all Canadians. This must be reflected in the tax system. A number of measures in Bill C-28 are intended to assist certain categories of taxpayers who deserve further help.

[*Translation*]

Accordingly the Bill provides for:

-new deductions in respect of part-time attendant care expenses for the working disabled,

-the deduction of certain legal expenses incurred to obtain a pension benefit or retiring allowance,

-an expanded list of medical expenses qualifying for tax assistance, to include eight new medical devices, and

-other amendments to ensure that certain counselling benefits provided to employees are not taxable.

Bill C-28 also introduces a new drought relief tax deferral in respect of cattle farmers who have had to reduce the size of their breeding herds as a result of drought. These measures all improve the fairness of the tax system, and will assist those Canadians who face difficulties not encountered by most of their fellow citizens.

In conclusion, the measures in this bill have benefited from extensive consultations with taxpayers and their advisors. It is very important that this legislation be passed as quickly as possible, to remove the uncertainty that inevitably exists for the very large number of taxpayers, both individuals and businesses, affected by these amendments.

[*English*]

As members of the House, we must all realize that the seriousness of Canada's debt problem requires equally serious determination and action on the part of the government to bring it under control. Acting now will

enable us to maintain and protect social and other programs for Canadians today as well as in the future.

In addition, acting now will give us the fiscal flexibility in the future to respond to the priorities that Canadians feel strongly about. That is our objective.

The measures in this bill, together with the other measures in the budget, will help us deal with the debt problem in the interest of all Canadians.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I listened to the minister carefully and not once did I hear him mention our old age pensioners who are being brutally attacked in this bill.

This bill is an attack on the rights of our senior citizens. It is an attack on old age pensions. This bill is an attack on the rights of children. This bill is an attack on family allowances. This bill is an attack on the principle of universality of our social programs. This bill is an attack on the social contract that has governed this country for the 20th century. This bill is a betrayal of the promises of the Prime Minister of Canada. This bill is a betrayal of what the Prime Minister once called "a sacred trust".

• (1540)

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): This bill makes 59 amendments to the Income Tax Act. No one can deal with all of them in the time allowed within the rules. I cannot deal with all of them. I just want to mention one other briefly, and then I am going to document the treachery and deception of this government in its dealings with Canadian families and with our senior citizens.

[*Translation*]

First of all I would like to talk about the special income surtax the Government introduced in 1986. Members will recall that the Minister of Finance referred to this surtax as a temporary one when he announced it here in the House. According to the Minister, it would not be in effect for very long. The 1987 Budget clearly indicated that the tax would be eliminated as soon as the new sales tax came into force. The Minister of Finance said at the time that:

> As soon as the new tax became effective, surtaxes on personal and corporate income would be abolished.

That is what he said, Mr. Speaker, and that is what he promised. But what did he actually do? The surtaxes are still with us. In fact, they have increased from 3 per cent to 5 per cent for middle-income Canadians and up to 8 per cent for Canadians on high incomes, and they are no longer temporary but permanent. They are now an integral part of the Canadian tax system. The Minister's technical paper on the goods and services tax does not say the surtaxes will be eliminated. These new surtaxes against individuals, surtaxes that are no longer temporary by permanent, will cost Canadians $1.1 billion more, which is a flagrant contradiction of the Government's stated objectives of its tax reform. According to the Minister, the main purpose of tax reform was to reduce personal income tax.

[*English*]

So much for this minister's idea of tax reform because it has proven to be nothing but a sham. It is nothing but a disguised tax increase, nothing but a massive tax grab under the umbrella of so-called reform. With this government there has been nothing but increase after increase ever since it was sworn into office. Since 1984 they have increased taxes 31 times.

I want to deal now in more detail with the so-called claw-back provisions on family allowances and old age pensions contained in this bill. I am not surprised that the minister in his presentation before the House ignored it. This claw-back is the culmination of years of deception—years of deception by this Prime Minister and by this Minister of Finance, deception of their true intentions with regard to the universality of our social programs. This government and this Prime Minister has consistently misled Canadians.

Listen to what the Prime Minister himself said in 1984. "Social programs were"—and I repeat those words: "—a sacred trust never to be tampered with".

Shortly after his election he tried to deindex the old age pension. He and the Minister of Finance backed down, but only after an enormous public outcry, an outcry backed by members of Parliament from this side of the House. We forced them back because they had broken their promise, they had broken that sacred trust.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): One would have thought, Mr. Speaker, that the Prime Minister of this country would have learned a lesson. But there he was again in 1988 in another election, this time using his mother as a prop. He was on stage with his own mother saying that he would never do anything to reduce social

programs. He repeated to the country the promise of a sacred trust. Indeed, on October 15, 1988, during the election campaign in Summerside, Prince Edward Island—and that is one community he never should dare to visit again—

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): —the Prime Minister said to the people of Summerside, and through them to the people of Prince Edward Island and Atlantic Canada, the following: "As long as I am Prime Minister of Canada, social benefits, especially those for the elderly, will be improved, not diminished by our government". What could be more categorical? What could be less ambiguous? What could be a more definitive commitment to the senior citizens of our country than that statement made a few weeks before the election in 1988?

[*Translation*]

Mr. Speaker, I had the privilege of taking part in two national debates, one in English and one in French. I have here a copy of the transcript of the French debate, including a question put by reporter Daniel Lessard. This is what Mr. Lessard said in front of the camera, in front of a national audience, in French: "Mr. Mulroney, are you ready this evening to promise, before Madame Denis and before all Canadians, not to touch senior citizens' pensions and to maintain, in their entirety, our social programs?"

Mr. Speaker, I may remind you that Madame Denis is the same Madame Solange Denis who came here on Parliament Hill and told Mr. Mulroney, to his face: "Mr. Mulroney, you lied, you betrayed us. At the next election it will be: Goodbye, Charlie Brown, we won't forget that!" And Madame Denis was right!

And here is Mr. Mulroney's answer in French to Mr. Lessard: , "As far as the future is concerned, I find that our system which we have in place is sound and deserves to be respected and maintained".

[*English*]

Because we are being listened to in both languages and because that commitment was so categorical, Mr. Speaker, I am sure you will excuse my translating that, repeating it in our other official language.

This was a question put to the Prime Minister of Canada in the national debate in French during the last federal election campaign. It was a debate in which the member for Oshawa, Mr. Broadbent, the Prime Minister, Mr. Mulroney, and I engaged the attention of Canadians. It was put by Daniel Lessard, one of the three journalists asking questions of us.

Mr. Lessard asked the Prime Minister this question: "Are you ready this evening to promise before Madame Solange Denis, and before all Canadians, not to touch senior citizens' pensions and to maintain, in their entirety, our social programs?" The Prime Minister responded and I quote: "As far as the future is concerned, I find that the system which we have in place is sound and deserves to be respected and maintained".

That was the Prime Minister's commitment to Canadians during the French language debate. That was the ultimate in deception towards our senior citizens. That was the ultimate in political fraud.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, that 1988 commitment was worth as little as the commitment made by the Prime Minister in 1984. It was just part of the deceptive strategy for getting re-elected. It is no wonder while we sit in this House of Commons—elected by the people of Canada—that public cynicism is at an all-time high. It is no wonder that those of us in public life do not receive from our fellow citizens the credit that sometimes we feel we deserve. People do not know whom to trust anymore. If they cannot trust the Prime Minister, whom can they trust in the public life of our country?

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, there has been deception after deception. The Prime Minister's word meant absolutely nothing. The bill before this House proves that without a doubt.

• (1550)

When we on this side of the House warned senior citizens they could not trust this government, this is what the Minister of Finance had to say during that same election campaign. I quote his remarks made in St. John's, Newfoundland as reported by *The Evening Telegram* on November 2, 1988:

> I say to Ed Broadbent and I say to John Turner, don't go into the old age homes in this country and frighten widows and widowers who are 80, 85 and 90 years old with things that are patently untrue. Try to fight the election on the facts. Playing on the fears and emotions of some of the most defenceless people in our society today is despicable. If you want to pick on Brian Mulroney, if you want to pick on Mike Wilson, that's fine, that's politics. But don't pick on our senior citizens.

Who is picking on our senior citizens now? Who is attacking their pensions? Not me, Mr. Speaker. It is the government opposite. It is doing exactly what we thought it would do. It is doing exactly what we said it would do, and worse.

Before the Empire Club the Minister of Finance, talking about the sales tax and replying to me when I said it would cost Canadians billions of dollars more—and it is—called me a coward and a liar. He said there would not be one additional cent of tax. That is the type of rhetoric, the type of morality we are dealing with.

If you allow me a little peripheral, but germane, comment to the subject of taxation, Mr. Speaker, for five years I have listened to the Prime Minister and the Minister of Finance attempt to misrepresent my record as Minister of Finance. I can look at that gentleman over there who holds the custodianship now, the fiduciary responsibility, for the finances of the country. I was the last Minister of Finance to present a surplus to this country and to this House of Commons in 1973, two successive surpluses, and in five budgets an annual deficit on average of $710 million—not $30 billion-plus as we have had for the last five years. I have been listening to this for five years.

I would like to take a few minutes to tell the House what I did, under the leadership of Mr. Trudeau, for senior citizens as minister of finance compared with what this government and this minister are doing. The rhetoric of this government and of the Prime Minister is good but rhetoric does not do anything to put money into the pockets and purses of our senior citizens. You will forgive me, Your Honour, if this sounds moderately immodest, but the facts speak for themselves. With Mr. Trudeau's complete backing I indexed the old age security pension to the cost of living to protect our senior citizens completely from inflation.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I told this House of Commons that I did not want to see the men and women of this country who had contributed a lifetime of their earnings, their savings, their productivity and their energy to building this country when they had retired and could no longer protect themselves from inflation, bear the brunt of it. I said that the country will protect you, and will protect you absolutely. That is what we did.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The current Minister of Finance, again with the complete backing of his Prime Minister, is withdrawing that protection from our senior citizens. I increased the old age pension, first by 11 per cent. I increased the tax exemption for senior citizens by 54 per cent.

Some Hon. Members: Hear, hear!

Mr Turner (Vancouver Quadra): Again, with Mr. Trudeau's backing, I increased the basic old age pension by another 21 per cent. Once more with the backing of the Prime Minister of the day I cut taxes by 8 per cent and indexed the Canada pension plan.

Yes, it is true that in 1972 and 1974 I made promises to the senior citizens of this country. The difference between me and the current Minister of Finance is I kept my promises and this minister broke his.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Never once as minister of finance, never once during the difficult times of the world-wide oil crisis in 1973–74, did I reduce any of our benefits to our senior citizens, because in the Liberal Party we have always believed that we honour our elders, we honour our senior citizens, we do not attack their basic rights.

[*Translation*]

Mr. Speaker, if this Bill is passed, and they have a majority, old age pensions and family allowances will no

longer be universal. The Government is not only changing the foundation of these programs, it is creating precedents that will affect other social programs.

The Bill before the House today creates special measures to tax the old age pensions and family allowances of people with incomes of $50,000 or more. The cut-off point of $50,000 is only partly indexed, because there is no compensation for inflation over 3 per cent. The cut-off point will not follow annual inflation, so that in real terms, it will go down. Ten years from now, nearly one million Canadian families will lose all or part of their family allowances and old age pensions.

[*English*]

The minister and the Prime Minister say that the programs are still universal because everybody still gets a cheque. What they are not admitting is that along with the pension cheque or the family allowance cheque, they are also sending out a tax invoice at the same time to certain Canadians based on income. They are saying it is universal unless you make x amount of dollars per year.

There is one honest member of Parliament on the government side. He may be out of control. He may be a loose cannon. He may be a one-man fog-horn from coast to coast, but I will say this for the hon. member for Mississauga South, he may from time to time bring the good reputation of this House into question, but at least he speaks the truth.

This is a letter that he wrote in response to a constituent of his. I do not know whether any of you ever received a response from the member for Mississauga South, but this one is a collector's item. He does reply to his constituents. The senior citizen is obviously complaining about the claw-back on his old age pension. This appears as reported in *The Ottawa Citizen* on September 23. The headline is: "MP contradicts PM over 'sacred trust' ". These are the words of the member for Mississauga South:

> With respect to your claw-back matter, I understand your concern.

How about that? That is unusually sensitive for this particular member.

This is what he wrote in response to a letter of complaint written by 61-year old William Daly.

> We have decided to eliminate universality and we do that in a sense by the claw-back in both family allowance and the old age pension.
>
> As you know, it has been a Conservative philosophy for some time that distributions from the state ought to go essentially to those in need. While the claw-back may be unfair and sneaky, it is there.

That unmasks it all. I do not question the sincerity of the minister who appeared this afternoon. I do not blame him for not mentioning it because why defend the indefensible? Why defend something that would enrage every senior citizen in this country who is now watching the House of Commons?

It is not universal, Mr. Speaker. Let us face it. We are back to the old means test. We now have an income tested program. That is what this debate is all about.

What is more, people will be taxed differently depending on where their income comes from. A senior who receives pension income will pay more tax than another senior whose income comes primarily from investments.

Single-earner families will be discriminated against. If both parents work and they earn $49,000 each for a total family income of $98,000, there is no claw-back in the family allowance or pension. But if it is a one-earner family with an income over $50,000 they lose benefits. That is not only not fair, it is stupid.

• (1600)

I now wish to address social contracts. When the old age pension was introduced, a special tax was created to help pay for it. I want to quote from the 1971 tax guide, and this also appeared in earlier tax guides since the installation of the old age pension. Canadians who paid tax in the early 1950s until 1971 paid a special surtax. The 1971 tax guide states: "All taxpayers whose taxable income is over $500 are subject to the Old Age Security Tax. The tax is 4 per cent of taxable income—maximum $240."

This tax was in effect until 1971. Canadians who paid that tax throughout the 1950s and 1960s until 1971, and that includes almost everybody over the age of 40 including those receiving pensions today, are now to be deprived of the benefits of what they believed that tax was earning them. That is nothing short of straight robbery. They paid the tax for the pension and, unilaterally, without any advance notice they are being deprived of the pension which that tax earned them.

Those senior citizens who contributed 4 per cent of their income on a special tax in the 1950s and 1960s and will now have 100 per cent of their pension clawed back, taxed back, in effect are paying a tax of 104 per cent. They paid thousands of dollars over a 20-year period believing that they were going to be entitled to the full old age pension. Now it has been taken from them. That is expropriation without compensation. The senior citizens of this country will demand compensation at the next general election.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): This is abandonment of the commitments and the social contracts that governments have had with the people in this country. What this government is saying to Canadians is "Don't count on it. Don't count on having a pension when you reach retirement age. Don't count on having a family allowance when you are trying to raise a family because we could rejig these numbers next week, next month, next year, or in three years." Once a government decides to set a discretionary limit on the total amount of the pension, whether it is $50,000 today or $40,000 tomorrow, nobody is safe and nobody can count on it because it is no longer a right of citizenship, it depends on the pure, unadulterated, unilateral discretion of the government of the day.

[*Translation*]

What about the social contract? What about the government's commitment to maintain its part of the contract? The Prime Minister has forgotten about it. The Minister of Finance has reneged on the contract. The Government simply does not believe in the universality of social programs. Why not admit it? Why not come out and say so? Why not? Because if they admit that universality no longer has its place in our country, the government denies what it has repeated and promised over and over again. It prefers to end universality in a roundabout way. Canadians, however, are not easily fooled.

[*English*]

Don't take it just from me. The National Council on Welfare had this to say: "The move away from universal benefits is the most significant change in social policy in a generation. Yet it was announced by the Minister of Finance in a budget speech with no prior consultation. In the case of seniors, the federal government had publicly rejected the idea of a clawback or a surtax on old age pensions as late as January, 1985, on the grounds that it would seriously disrupt the retirement income system. The clawback changes the rules of the game without their consent. The elderly have already paid for their old age pensions through a lifetime of paying income taxes."

That was a press release by the council on September 13, 1989. The president of the Senior Citizens Federation says the following in a letter dated June 23, 1989, to the Prime Minister: "We view this proposal as a serious breach of faith by our government and an insidious effort to undercut the social security programs that you have on numerous times stated are a sacred trust."

In a letter dated May 24, 1989 to the Minister of Finance the Coalition of Quebec Seniors says: "The pension clawback is discriminatory on the basis of age, unfair, and contrary to the Charter of Rights. It creates a steeper tax rate for seniors than for others of similar income levels. Seniors who with great difficulty have succeeded over the years in saving for their retirement are being penalized".

What this proposal means, of course, is that a senior with an income of $70,000 per year will be taxed differently than someone younger making the same amount of money. That is not fair and it doesn't make sense.

Why from this corner of the House, both in this House and across the country, certainly since the days of Mackenzie King, and then on to Mr. St. Laurent, Mr. Pearson, Mr. Trudeau, have we always believed in universality? Why has universality been the guiding principle in the social programs accepted in this country? We have tried to explain this principle to the government. This government has never been able to grasp it. I will try again.

If there is one characteristic that is Canadian, if there is one quality by which we like to define ourselves, it is the quality of fairness, equal opportunity and equal treatment. We believe that no matter where you come from, where you live, what you earn, who your family is that you have an equal right to the social programs of this country, that all individuals are entitled to the social programs as a right of citizenship. It is part of the social

contract in return for a lifetime of contribution to our community.

We believe that all Canadians deserve that equal and equitable treatment no matter what their social status. Universality means that everyone is treated the same. We do not mean that you don't tax the rich more than the poor. We believe in a progressive income tax where those who have the ability to pay, pay. That is the fault with this goods and services tax. It is regressive.

We have always believed that if you limit programs and direct them to the poor, if you design them for the poor, if you design them for those at the lower income scales, then those programs inevitably become poor programs. Universality means that the rich man and the poor man wait in the same doctor's office for the same service and are covered in the same way. They mean that regardless of income, regardless of connections, there is equal treatment.

Universality has been a unifying force in our country. It makes our social programs credible because there is no ghettoizing of the haves and the have-nots, such as the poor get something and the rich don't. Everybody does, subject to an over-all taxation system, but the programs are credible because when they come to all of us then we are all behind them. They are community programs, and that is why Canada has been the most successful country in the world.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The danger is that once you start tinkering with that principle, once you start undermining the principle of universality, you put everything in question. Who decides who gets what benefits? Where do you draw the line? Who decides which of our citizens need more help than the next one? Once the principle is abandoned and discretion is reintroduced into our social programs, what is next? Medicare? Hospitalization? Free public education? Oh, some members may raise their eyebrows, but this is the first government in Canadian history that has ever put a tax on learning, a tax on books. This government is destabilizing and endangering the social contract which is based on trust, legitimate expectation, reliance on the word of our public officers.

I hesitate to say, "I told you so". It is the worst thing you can say to a member of your family, the worst thing you can say to a neighbour. You never get any credit for it. But I made a prediction in this House of Commons in December, 1984, when I spoke out against the government's proposal to de-index the Old Age Pension. I said then that this debate would not end until there was "a clear, unmistakable, credible, believable and unassailable commitment that the government will not tamper with the universality of the social programs of this country which are counted on by millions of Canadians. They are part of the social contract, part of the glue, the adhesion, and the unity that have made this country a very decent place to live". That is what I said then, and I regret that that prediction has come true.

• (1610)

I want to say to you, Sir, my colleagues will be entering this debate. This is not going to be the end of it. It is only, perhaps to use the Churchillian phrase, "the end of the beginning". Now we know. Now we have the legislation. It is before the House. Now we know that all those commitments made by the Prime Minister and the Minister of Finance, those commitments to protect and defend and enhance our social programs, promises are not worth a damn. Now we know that this government has no commitment that cannot be broken, no matter how solemn the occasion, no matter how frequently it is made. That is the measure of this Prime Minister and this Minister of Finance, and that is the measure of this debate.

I could not be more serious when I say now we are dealing with part of the basic moral fibre and structure of this country. Can our politicians and public figures be trusted? If commitments of the Prime Minister made on several occasions on national television and across the country, not only in two federal elections, but whenever he was accosted by members of the public are no longer sacred—and now we know they are not—then on this side of the House on behalf of Canadians on this and other issues we are in a battle and we will press it right to the limit.

Some Hon. Members: Hear, hear!

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, the government would like to advise the House that tomorrow will be designated as an opposition day.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I congratulate my hon. colleague, the Leader of the Opposition, for his excellent speech.

I am honoured to lead off my party's debate on Bill C-28. I was going to say that it was a beautiful autumn day, resplendent in beautiful colours, with mother nature at work, a kaleidoscope and all of those beautiful terms, but really it is a black Wednesday in October across Canada. It is probably very appropriately a grim, sombre day because the discussion of Bill C-28 is an historic piece of legislation that spells the end of universality for social programs in Canada. A sacred trust of the Canadian people.

This government has created a new vernacular of political jargon in this country. Words such as reprofile, deregulate, privatize, rationalize, patronize, Americanize and finally benefit reduction tax, better known as the clawback. The name speaks for itself. This is on the heels of VIA cuts with the statement of the Prime Minister, "We must cut VIA in order to save it", and "We must decrease social benefits in order to maintain them". What sort of bizarre, fallacious reasoning in this? It is obviously Tory reasoning. It would earn a failure in logic in first-year university in philosophy and in the real world it is pure debauchery. This, indeed, is historic legislation, but history will not treat either legislation or the government kindly for its actions.

Speaking of history, I would like to cite some references dated, but nevertheless prophetic. William H. Seward, a Republican—no surprise—in January 1861 stated:

> So I look upon Prince Rupert's Land and Canada, and saw how an ingenious people and a capable, enlightened government, are occupied with bridging rivers and making railroads and telegraphs to develop, organize and create and preserve the great British Provinces of the north; by the Great Lakes, the St. Lawrence and around the shores of Hudson's Bay, and I am able to say, "It is very well; you are building excellent states to be hereafter admitted to the American Union.

This government wants us to be like the United States. This legislation strikes out at the supposed richer, older citizens of our country. You know the now famous quote, Mr. Speaker: "As long as I am Prime Minister of Canada, social benefits will be improved, not diminished by this government which is committed to social justice and fairness for all Canadians". He forgot to add, "fairness for all, except for children and senior citizens".

This was said in October 1988. What a dramatic turnabout, but a turnabout that we have grown all too used to.

Remember the free trade debate? Free trade will not affect our social programs. It will, in fact, enhance them. Some of the candidates brought out their mothers and fathers and said: "I would never deceive you. I would never lie to you. Please believe me, because my mother knows that I am telling the truth". Well, today every grandmother and grandfather in this country is getting a swift kick.

I do not accept the remarks of the finance committee chairman that older people don't wear out their clothes, or they don't buy furniture. The intimation is that older people are sedentary. They are not. This clawback is causing older citizens to rise up again and glut their ire as they did in 1984.

The problem with this legislation is that it is sneaky, pernicious, discriminatory, an attack on seniors, but is also a lever into attacking all of the social services that will affect 128,000 pensioners in 1990, but one million in 20 years from now. Let us remember that we are an aging population. The claws of clawback will eventually hit everybody if, God forbid, this government remains in power.

We are not only talking to 65 year olds, but we are talking to 25 year olds making $25,000 now, with salary increased only by inflation. They will have part of their Old Age Security clawed back at retirement. So we are are not just talking about 65 year olds, we are talking about 25 year olds, 35 year olds, and 45 year olds.

What do seniors think? Not that the government cares. An editorial from *The Legion* magazine of July and August, 1989, put it very succinctly: "Indeed, even if the $50,000 income threshold will drop in real terms because it will not be indexed to a level of inflation, but only to inflation minus 3 per cent, with a reduction of the real income at which the tax kicks in, more seniors will have to pay more money. Not coincidentally the numbers of seniors will be increasing as Canada's population ages collectively. In more than just a decade, a large number of seniors will be caught in the net and it won't be just the big fish. In essence, the government is sneaking up

on us. What we have here, in addition to the government's betrayal of public trust, is a case of age discrimination".

Up to this point I have spoken in generalities. Many people will say: "Well, it doesn't apply to me". I want to cite a specific case of a constituent of mine who came into the office and talked about this clawback. She was fighting mad, upset, hurt, and indignant. Her story, we cannot generalize that just because someone makes $50,000 a year that means one is well to do and can easily afford to give back some of one's Old Age Security. This lady is a single woman. She worked for 35 to 40 years in a well-paid responsible position. She was a very budget conscious person for all of her working life. At retirement she had placed $250,000 into the provincial and federal tax coffers. The 1971 tax guideline, clause 37, Section 3, Old Age Security Act states: "All taxpayers whose taxable income is over $500 are subject to the old age security tax. The tax is 4 per cent of taxable income."

• (1620)

This lady lives in a non-profit housing unit. Her rent has gone from $426 to $469 to $510 per month in the last 15 months. The 4 per cent rent guideline does not apply to non-profit housing. Because of this woman's good fortune she has set up a $10,000 scholarship for a needy student. Excellent. Now she finds out that the company she worked for for 35 or 40 years has been bought out by another larger company and her pension is on hold. She has worked all of this out for 35 to 40 years and the whole budget is now shot. In tears she states that there is a lifelong budget shot to hell.

There are many stories out there similar to this. Different circumstances but, nevertheless, there can be a tragic end. Universality is not a right of citizenship any more. You will be asked: "Do you deserve it? Do you need it? Do you qualify for it? Prove it". If only big business had the same kind of morals.

Going back to free trade. The end of universality is a government desire. We want to be like the United States. I cite the problems since January 1 of harassment by Americans regarding pork, lumber, fish, and steel. Subsidies were supposed to be negotiated over the next seven years. Yet when a punitive duty was brought against Sysco and Algoma Steel the Minister for International Trade said: "Oh, well, everyone knows that Sysco is highly subsidized". So, they are now a write-off.

I wrote letters to the Prime Minister and the Minister for International Trade with regard to this punitive duty against the steel mill in my city. I got no response nor any reaction whatsoever. The free trade agreement binds us, it permeates all of our discussions, and makes us more and more like the United States.

A reputable politician, Mr. Gotlieb, the ex-Canadian ambassador to the United States states: "Lobbying in the United States is now vital. The free trade agreement offered us no protection whatsoever. We have to get in there and lobby for our rights". We should take his advice. It is important.

Social programs are no longer a sacred cow. The cow will soon be dead and the bleeding has begun. The end of universality has begun and it is acknowledged by the government's finance committee chairman. I will cite the same letter. We have a copy of the letter if one would deny the report of the *Ottawa Citizen*. I think it bears repeating. As you know, it has been a conservative philosophy for some time that distributions from the state ought to go essentially to those in need. While the clawback may be unfair and sneaky it is there. That says it all. That really does say it all.

The National Council on Welfare report is financed by the government and has various points with regard to the illegitimacy of the clawback. I would like to highlight number seven. "The clawback could erode support for social programs. Eventually it will weaken popular support for social programs in general including those which help the poor. Giving benefits with one hand and taking them all back with the other is a hypocritical policy that could engender middle-income voters' resentment at paying taxes for social programs to which they are not really entitled". In layman's terms people will say: "Well, I don't want to pay into it because I am not going to receive anything from it".

Time will not permit me to elaborate on the family allowance clawback but it is, suffice it to say, that the same scenario will evolve and within ten years 30 per cent of all families will be negatively affected.

This legislation hits everybody. It hits the seniors, it hits young people, but of course it hits the middle-income group that has to support these young people. As far as transfer payments are concerned, they are being cut in this omnibus tax bill. Under Established Programs Financing the federal government provides support to the provinces in the form of cash and tax transfers for

health care and post-secondary education. In the Budget the government announced it would cut the growth in its EPF transfers by one percentage point beginning in 1990-91.

I should like to turn to one of my favourite books and I have read it perhaps a hundred times because I cannot believe what I read. It is called *Where I Stand*, by our Prime Minister. This was written when he was at his zenith of popularity. He is talking about research and development and he says:

> The starting line for me is the technological dimension. Either we go into the game and become important players in this major league or we become a nation that will, during its entire lifetime, play in the Junior B circuit. To play with the majors, we must make a firm commitment to double the public and private funds allocated to research and development—Research and development, and the resulting innovations are the lifeblood of a successful economy and country.

And he goes on:

> As a percentage of its population, Canada employs in research and development one-third as many people as do the Swedes, the Germans, and the Japanese and one-half as many as the Dutch, the French, and the Americans. Of all the industrialized countries of the Western world, Ireland and Iceland are the only countries that invest less than we do in this vital field.

We must double our research and development. And part of that doubling has to come through transfer payments. Now that is the myth, this is the reality.

John Ferguson of Southam News writes:

> Meanwhile, indications are that total spending on research and development in which we already lag far behind our major trading partners appears to have declined again last year as a proportion of the economy.
>
> Mulroney promised in the 1984 election that Canada would double spending on R and D under a Tory government. It was then 1.37 per cent of gross domestic product. It slid to 1.31 per cent in 1987 and when the 1988 figures come out they will likely show the figure below 1.30 per cent.

In the same article Mr. Ferguson writes:

> Another sign of waning interest: the 34-member National Advisory Committee on Science and Technology, chaired by Mulroney and touted as a signal of his commitment, has not met since last summer.

How can we do better when we cut, cut, cut? All of these measures will condemn us to be hewers of wood and drawers of water in perpetuity. Transfer payments affect our post-secondary education and hospital care. This could create two tiers of medical care, one for the have-provinces and one for the have-not provinces. The Canadian Medical Association says: "We are headed toward a two-tier health care system with one quality of health care in the rich provinces and second or third-rate services in the poor provinces".

Today I received a fax from Sault Ste. Marie in Ontario, which is one of the have-provinces and perhaps no one would deny that we in Ontario are indeed fortunate. But, the health care system in Ontario is in disarray, operated by a Liberal government, handling what meagre funds the Tory government passes on to it. This report is extremely upsetting, to say the least. A local individual perhaps lost his life because one of the best hospitals in Ontario could not care for him. It did not have the staff available. This is an indication that when the have-provinces are having problems, you can see what reduction in transfer payments could result in.

As far as the system is concerned, the system will work for those who are in the system who can play the system, but most average Canadians have no idea what the system is or how they can participate. The indication that average Canadians have been consulted on this tax bill, are, of course, erroneous.

• (1630)

James Carter said in 1895: "In every community those who feel the burdens of taxation are naturally prone to relieve themselves from it if they can. One class struggles to throw the burden off its shoulders. If they succeed, of course, it must fall upon others. They also in turn labour to get rid of it. Finally, the load falls upon those who will not or cannot make a successful effort for relief. This is in general a one-sided struggle in which the rich only engage and which the poor always go to the wall".

This legislation is a natural fallout from the budget. Let there be no doubt that this was a big business budget. When they brought forth all of their wishes from the wish book they got just about what they wanted.

Their wish list contained the following: the government must set targets for reducing the deficit and sustain the effort over a number of years of unshakeable

commitment; the deficit must be slated to fall by close to $7 billion per year; expenditure reduction should make up the bulk of cuts in the deficit. The following recommendation is particularly noteworthy: since social programs make up 60 per cent of government program spending, social programs should be the major target.

It is coming true. They say that any social program spending should be targeted only to those in need. This means the end to any concept of universality, including universal pensions. Tax increases will have to form some part of the deficit reduction strategy. Such tax hikes should be temporary when possible and applied to deficit reduction. The manufacturers' sales tax should be replaced with a national sales tax, and the federal government should introduce this unilaterally if it cannot secure provincial support. Small business groups caution that sales tax reform should be done very carefully if they are to support it. Ideally the tax should have no exemptions or exceptions and regressivity should be offset for the poor by a refundable tax credit.

Everything they wanted they got. Business should not be exempt from the program cuts to carry its share of the burden. Expenditure cuts to business should look at limiting industrial grants and subsidies for regional development. These were recommendations by the big business lobby.

I say that this big business lobby has become very sophisticated in its public relations. They say: "We have to tread softly not to upset the average Canadians. Let us put this kind of rhetoric in here and we will deceive them." Indeed I think people were deceived at first, but now they are starting to catch on and people are upset. They are extremely upset with the whole budgeting process and the tax grab by this government.

Since taxation is complicated and there are many different taxes involved, the ordinary citizen might be forgiven for being a bit confused. But if a large majority of Canadians have felt in the past that the rich were not paying enough tax, once the smoke and mirrors of the current reform are removed these same Canadians may be surprised to find that the rich are paying even less tax.

The finance minister's tax reform or tax deform, depending on how you take it, is indeed mostly smoke and mirrors. There is a lot of talk about making the rich pay more and helping those at the bottom end of the economy. In reality the reforms do almost nothing to achieve those ends. Some well-to-do investors in the corporations will pay more but most high rollers will pay less.

There was very little outcry. *The Financial Post* and *The Financial Times*, and *The Globe's* report on business, lost interest very, very quickly in the tax reform, indicating that it was a pleasant budget for big business.

The finance minister's reform has not really caused the government to veer from its agenda at all, except perhaps to throw out a quick tax reduction a few years ago. From the beginning the government has been moving toward a much heavier emphasis on the sales tax, the most regressive kind of tax. Since it came to power in 1984 it has increased corporate taxes by only 4.2 per cent while it increased income tax by 48.2 per cent.

I believe our party will soon be talking about implementing a wealth tax because the top 10 per cent in this country own more than half the country's wealth.

We are in step with the United States. Everything that we once stood for, revered, enjoyed, accepted and expected is being cut from under us. This is a very sorry day. These are sorry times. Until Canadians rise as one and shout: "we are as mad as hell, we are not going to put up with it any more"—and I think it is getting closer and closer—the government will move forward with its agenda, an agenda which is destroying us and making us a market driven, profit motivated society where only the fittest survive. What about the rest—and the rest—and the rest.

We beseech the government to rescind its clawback for the benefit of all Canadians. The Prime Minister said not too long ago: "We are in the process of building two Canadas—one which is rich and promising and one which is underdeveloped and underemployed", which is unacceptable. We agree whole-heartedly with the Prime Minister that this is totally unacceptable.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I welcome this opportunity to speak to a major piece of legislation, Bill C-28, and especially to answer the former Minister of Finance of this country who, as you know Mr. Speaker, took us from being hard-pressed to depressed, and I am referring to the Hon. Member for Vancouver Quadra (Mr. Turner), the Leader of the Opposition.

An Hon. Member: Right on!

Mr. Vincent: Mr. Speaker, strangely enough, not so long ago the Leader of the Opposition got rid of his financial critic because he said the Conservative government's policies were good. So he was kicked out. And I can predict, Mr. Speaker, that the regional president of the federal Liberal Party— The truth is never palatable, Mr. Speaker, but we all need to hear the truth from time to time.

Ms. Copps: That is not the truth!

Mr. Vincent: Now what did I say, Mr. Speaker—

Mr. St-Julien: It didn't take us 20 years to see the light.

Mr. Vincent: Mr. Speaker, I had the courtesy to listen to my colleagues and I think they should do the same for me. They would learn something.

As I was saying, Mr. Speaker, I can predict that the regional president of the federal Liberal party in our area will soon be on the outs, because only last week, he said he agreed with the economic policies of the Conservative Party in the riding of Trois-Rivières. Just watch, Mr. Speaker: their regional president will soon be fired, just like their financial critic.

An Hon. Member: Talk about the bill, not the Liberal Party!

Mr. Vincent: Be patient! We'll get there. Nothing to get excited about. We have the whole afternoon!

When I hear the former Minister of Finance, who at the time managed to increase the deficit very substantially, when I hear him talk about the elderly and the last budget, it reminds me of the economic statement of 1984, the budget of 1985, the budget of 1986, the budget of 1987 and the budget of 1988. That makes five, Mr. Speaker. The Leader of the Opposition must have taken the speeches he made on those occasions and used them to write the one he gave today. If he had given us a replay of his speeches on past Budgets, it would have been the same speech, absolutely identical. The economy will be in bad shape. The elderly will be in bad shape, family allowances, and so forth— And this while our records show that 1.5 million jobs were created during the past four years in this country, permanent jobs, which means ten times as many as the previous Liberal government created over the same period, and that Government created part-time jobs, Mr. Speaker. And people remember that! Talk to the people in Trois-Rivières and they will tell you all about it.

• (1640)

Mr. Speaker, just I am sure you do on the weekend, I make the rounds among the various senior citizens' clubs: Sainte-Marguerite, Saint-Jean-de-Bréboeuf, Saint-Philippe and Radisson. During the budget period, they asked me: What's all this about old age security pensions and returning part of our cheque and so forth! I said: Listen, if you have a gross annual income of $77,000, not $42,000, not $24,000 and not $52,000 but $77,000, you will have to return part of your old age security pension. And you know what, Mr. Speaker? The people in the riding of Trois-Rivières said: It's not a bad idea. The senior citizens in the riding of Trois-Rivières said: It makes good sense.

If I have an annual income of $77,000, I can give back part of my old age security cheque as tax to the federal government and I will still be able to live very well. That is what is in the Conservative government's 1989 budget. And I think that at some point, we must call a spade a spade. For 20 years, there was shameless waste by the former Liberal government, Mr. Speaker, so that when we took power in 1984, the accumulated debt was $200 billion and the annual deficit was $39 billion. It is funny how the Opposition does not talk when we speak the truth! It is funny how they become very quiet.

We must be realistic, Mr. Speaker. What has this government done for four years? It is true that we raised taxes, yes! I do not think there is a member on this side of the House who will not admit that. We will also admit something, Mr. Speaker: since tax reform in 1988, each Canadian taxpayer has between $1,600 and $1,800 more a year in his pocket. That too must be said! Because with the 1988 reform, taxes went down. Because with the reform in 1986 for the refundable federal sales tax credit, that tax, which as we know is not wonderful, is less regressive. With the GST, the credit will be raised and the tax will be even less regressive. The tax will penalize people on low or moderate incomes even less and it will

apply to those who can afford it. That is good, sound administration.

Look at the Leader of the Opposition. The Leader of the Opposition was asked if he was against the cuts to VIA Rail. Yes! Is he against free trade? Yes! Is he against the budget, all budgets? Is he against the GST? Yes! He is against all that. No problem! He is against it all. And I could go on. But we also say to him: Mr. Leader of the Opposition, if you are against it, fine! But what are your solutions?

Mr. St–Julien: He has none!

Mr. Vincent: "Well, no, I have no solutions, I am the opposition, I oppose. I have nothing to say, I am the opposition, I oppose." That is the policy of the Liberal Party: "to oppose!" Mr. Speaker, we do not create and continue to build a country with such a philosophy, "I oppose! I have nothing to say, I oppose!" That is the Opposition Leader's job. Since September 4, 1984, no Liberal or NDP Member has had the decency to come to this House and say, "I am against such and such a policy of the Conservative Government; here is what I propose. I am against a certain bill; I think it should be done this way." Not once has there been any suggestion on any subject. With such a style of opposition, we do not see how one of those two parties can govern this country the way it should be governed in the 1990s, as we approach the year 2000.

Because do not forget, Mr. Speaker, ten years from now we will be entering the year 2000, and to meet the expectations of Canadians for the year 2000 we need economic, cultural and social policies that are adequate.

Mr. Speaker, they suggest the Budget is no good. But like the four others that came before it, that Budget is Canada's economic policy. The Opposition never refers to the cost of the national debt for 1988–89—24.8 per cent of budget expenditures, nearly 25 per cent. This means that 25 per cent of all Canadian cheques issued by the Canadian Government are to pay the interests on the debts made by the previous Government opposite.

Mr. Speaker, to put that in terms of revenues, in other words if I take that 25 per cent and compare it against Canadian Government revenues for 1988–89, we come to 31.7 per cent!

An Hon. Member: That is 32 per cent.

Mr. Vincent: —32 per cent, as stated by the Hon. Member for Abitibi (Mr. St–Julien). Indeed, 32 per cent of our fiscal revenues go to the payment, not of the principal, but the mere interests on our debts.

As we can easily understand, it is impossible to keep governing the country the way Opposition Parties would like to.

Mr. Speaker, last week I attended a yearly alumni meeting of Lafleche college, in Trois–Rivières. It was the college's twentieth anniversary and I met a number of former students who are social workers, accountant or what have you, across Quebec. Do you know what those upwardly mobile young people said? They said: We believe in Canada, we believe that in order to have a strong country tomorrow, we need your economic policies now.

We believe that if VIA Rail cannot cover its costs, if it costs Canadians, if it costs us young people in this country $650 million a year, yes you must cut services!

An Hon. Member: Impossible!

Mr. Vincent: Yes, you must maintain it across the country, as you are now doing, but yes, you must cut services.

An Hon. Member: Unbelievable!

Mr. Vincent: This, Mr. Speaker, is exactly what young Canadians are thinking!

An Hon. Member: Untrue!

Mr. Vincent: The truth once more upsets people, Mr. Speaker, but we must live with it.

Mr. Speaker, they will have an opportunity after I conclude my speech to put questions if that is their wish. But if they will listen now, I will not be too long.

Mr. Speaker, last Saturday I attended a gathering of volunteers in Pointe–du–Lac, a yearly meeting of all those who give their time and energies to those activities. Those people receive no pay but they take their area, their community to heart. But what are these people

saying? They are saying the same thing: Indeed, the government in office has to administer and slash where it is needed, just so higher-income families will pay their fair share of taxes, much in the way lower-income families will also pay their fair share, but keeping in mind the fact that they do earn less.

Mr. Speaker, that is the rationale behind the GST. We know that the GST credit will be much higher than what it will be in 1990, but that year every adult will get $140 and every child $70, and the threshold will rise from $16,000 to $18,000 a year. That, Mr. Speaker, is sound administration.

I heard the NDP member refer to corporations and wealthy people who do not pay their share of taxes. As you would know, Mr. Speaker, since 1986 all Canadians pay at least a minimum tax, which means that there is no longer a single Canadian who does not pay his or her fair share of annual taxes.

• (1650)

You also know that as a result of the latest Budget the government will raise close to $1 billion more through the corporate surtax. Mr. Speaker, all corporations will pay their fair share of taxes. I would suggest this is sound management and, looking at it from an economic standpoint, that is what this country needs for the future.

Mr. Speaker, I listened to the former Minister of Finance refer to his performance. Here is his performance, Mr. Speaker: while he was Minister of Finance, average expenses increased by 20 per cent a year, the deficit went up, the net debt went up, everything went up when the Leader of the Official Opposition (Mr. Turner) was Minister of Finance. This is the same man who today, as he has been doing over the past five years, is trying to teach ethics to this government which in four years did manage to reduce the annual deficit by $10 billion—a 25 per cent deficit reduction every year for four years. It stood at $39 billion when we took over, it is now down to $29 billion. Indeed, 39 minus 10 is 29, and 10 out of 39 works out to 25 per cent.

I see the opposition member smiling. The figures are there and, as my father would say, figures speak for themselves. Mr. Speaker, that is what the Budget is all about.

In 1991, again because we have to keep low income families in mind, as a result of the new federal sales tax the annual refundable tax credit will amount to $275 per adult and $100 per child. Mr. Speaker, this tax will change absolutely nothing for families whose income is under $30,000. Nine million Canadians will receive a refundable tax credit. Nine million Canadians!

So when I see that the Opposition criticize a budget which shows economic leadership and is consistent with the efforts we have made over the past five years to reduce the deficit, to make sure that low income families are protected, to ensure that Canadian corporations can operate without tons of regulations and legislation as was the case under the previous government, to privatize Crown corporations which compete with private enterprise or which are not profit making concerns for the government— That is what we have done over the past four years and will continue to do, Mr. Speaker!

Bringing down the annual deficit is not wishful thinking but a necessity for this country. We just cannot imagine reaching Year 2000 with Canada being the country most in debt in the world. I think we must be realistic.

I want Members of the Opposition to start making serious proposals and stop arguing that they are against the budget, against the GST, against this or that. Members opposite are always behaving as though they were fighting for the survival of the country, involved in the very last struggle to help Canada make it—Mr. Speaker, we have been hearing the same tune for the past five years, and also for the past five years the Canadian economy has been doing fine, we have been creating jobs, the unemployment rate is down and Canadian men and women are living in a stable economic climate and enjoy pleasant federal-provincial relations. That is important too. Since 1984, major investments have been made throughout Canada, whether in the Atlantic provinces, Quebec, the prairies or British Columbia, and they have helped the economy. The unemployment rate will therefore go down. Mr. Speaker, these are realities.

In conclusion, I suggest that Bill C-28 must be adopted as soon as possible to be implemented and ensure that the economic well being which we have experienced since 1984 will continue.

Mr. Deputy Speaker: The hon. member for Abitibi on a question or comment.

Mr. St–Julien: A comment, Mr. Speaker. I am pleased to address the hon. member for Trois–Rivières. You will recall that, in 1984, the Liberal Government then in power created a tax credit to promote research, thus causing the worst tax fraud in Canadian history, what could be called today the rip–off of the century. And today's Liberals, even the new ones, do not even remember it. They have not heard about it in their caucus. I would like to quote an article published in *La Presse*—

Mr. Boudria: Do you still have your Liberal party membership card?

Mr. St–Julien: That article dated September 30, 1987 reads as follows: "Taking into account the economic situation, the previous Liberal Government, for no valid reason, made taxpayers billions of dollars poorer." That was confirmed by Auditor General Dye. I want to get to Canada's current financial situation. In early 1984, Marc Lalonde the then Minister of Finance knew that the Scientific Research Tax Credit Program would cause problems. He was warned again a few months later but his Department did not do anything because the Government was about to go on the campaign trail.

Mr. Speaker, I would like to tell my hon. friend, the Member for Trois–Rivières, that had the Liberal Government intervened right away in 1984, it could have saved a lot of money. And what did we do when we came into office? We cut those research tax credits. Finance Minister Marc Lalonde, who had predicted that the Program would cost $200 million, ended up with a $3.5 billion Program and a fraud of up to $1.9 billion. Nobody knows where that $1.9 billion went. My question for the Hon. Member for Trois–Rivières is this: What could have been done in today's political context with $1.9 billion in his riding, in Abitibi, in Quebec and in Canada?

Mr. Vincent: Mr. Speaker, it is interesting to hear what I would call an astute question, and the hon. member for Abitibi.

Some Hon. Members: Oh, oh!

Mr. Vincent: Mr. Speaker, if they want to ask questions, they're welcome to do so, but when I have the floor, I would like to be heard!

The hon. member for Abitibi is absolutely right. The former government implemented a program, and I have nothing against that except that it provides for tax credits, abatements, and so on. We know that when a back–door program, is established through the use of the Income Tax Act instead of direct subsidies, it is impossible to predict its cost. They told us it would cost some $200 million, and that it would be promote scientific research, when in fact, Mr. Speaker, it did cost, as my colleague mentionned, almost $4 billion. But what's the problem, you ask. The then minister of Finance knew very well, right from the begining, that it would cost us plenty. But he stood behind his decision, and our country lost the opportunity to spend not millions, but billions of dollars, on social programs such as assistance programs for our handicapped or our ethnic groups, or on cultural and economic programs. Unfortunalety, that money has gone down the drain!

• (1700)

And, as has my colleague for Abitibi noted, we do not even know who got it. All we know is that there was fraud involved. All we know is that billions of dollars have disappeared, passing from a numbered company to another, that things were bought and sold. That is what is called a bad management of a country. And since the opposition members are honest people, Mr. Speaker, I am sure that each of them was against such a thing. If each of them had been able to say no to that bad thing, they surely would have done so. Unhappily, Mr. Speaker, the decision was not theirs to make, and we have lost a couple of billions in funds of all kinds.

Mr. Boudria: Mr. Speaker, I would like to put a question to the hon. member opposite, after listening to his speech. I would like to know if he personally supports Section 48 of the legislation, the thrust of which is to claw back senior citizens' pensions. Does he support the total or partial claw–back of senior citizens' pensions, especially in view of the fact that, as emphasized by the Right Hon. Leader of the Opposition his excellent speech, a large number of them directly contributed to the fund by paying at some stage 4 per cent of their income tax so that those monies would be reinvested separately for their pensions. In other terms, does the hon. member support expropriating the assets of senior citizens, as Section 48 of the legislation would?

Mr. Vincent: I thank the hon. member opposite for his question. I think I made this quite clear in my speech, but I will repeat it just the same Mr. Speaker. The hon. member referred to a budget, measure that says, in terms of figures, that where an individual aged 65 and over has a net annual income of $77,000, and I repeat $77,000, he or she shall pay back part or all of his or her

old age security benefits. And let me tell the hon. member opposite, Mr. Speaker, that I travelled across my constituency and people are saying that of course, with an $77,000 annual income, you can afford to pay back part of your old age security pension cheque because yes, you have enough income to help support the debt left by the Liberals. This is what people in my constituency are saying, Mr. Speaker, and I totally agree.

I think we must be realistic, and as the Leader of the Opposition stated, we never taxed senior citizens. In his question, the hon. member for Glengarry—Prescott—Russell says exactly the opposite. He says that the Liberals taxed senior citizens when they were in office and now they don't want to tax them anymore. Mr. Speaker, we have to be realistic. I think that a person who is 65 or older and whose income exceeds $77,000 can pay his or her share to solve the national debt problem which we inherited from the previous Liberal government.

Mr. Boudria: Mr. Speaker, I just wanted to make sure that I had understood the hon. member's reply correctly. He has just stated that he is in favour of expropriating the property of senior citizens who are earning over $77,000 a year to give it back to the State. I heard him say that he is convinced that, in a popularity contest in his riding, his constituents would agree to expropriate without compensation the property of senior citizens earning over $77,000. Mr. Speaker, let me tell you that if such is the position of the hon. member opposite, it is certainly not ours as Liberals.

Mr. Vincent: Mr. Speaker, I do not know if my Hon. friend still lives in a super affluent riding. But I can tell you that in the riding of Trois-Rivières, people earning $77,000 and more a year are few and far between. There are not a lot of them. It is a riding where people are well-off but are not getting the kind of income to be concerned about the question at this level. Again, I suggest that the hon. member for Glengarry—Prescott—Russell does not understand the system. All Canadians who are 65 years and over receive their full old age security pension. All the budget is saying is that people earning $77,000 and more a year will pay a special tax, which means that part of the amount paid to them in old age security pension will return to the Government. The budget states that people earning over $77,000 a year will have to pay a special tax, and I suggest that more Canadian men and women, and especially my Trois-Rivières constitents, are all in favour of this measure.

[*English*]

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, it has been pretty painful listening to the presentation of the hon. member for Trois-Rivières. I weep for truth in this House for truth has been a major casualty after that assault from the member for Trois-Rivières. Truth has been battered. It has been bruised. In fact, I think we will have to carry it out of the House on a stretcher. That is the kind of presentation that we have had from the member for Trois-Rivières.

I am pleased to take part in this debate this afternoon on Bill C-28, particularly as it applies to the so-called clawback. I say that because this matter of clawback goes to the very core of Canada. It goes to the heart of this country. It says a lot about what this country is. Is it a country of compassion? Is it a country that cares? Is it a country of citizens who feel that they are their brothers' keepers? Or is this a country where everyone is out for himself, where the rule of the jungle applies?

Those are the questions we have to ask ourselves. The answers are quite obvious. They are apparent from the presentations from the other side. We know where they stand. They want a society that can only be described as dog eat dog, everyone out for himself. That is what they want. That is why they are assaulting the seniors of this country. That is why they are going after the very men and women who built this country and who made this country what it is.

Just last week the chairman of the House of Commons finance committee managed, and it was quite a trick, to insult the entire population of western Canada. I think we got an apology from him. The Minister of State for Finance went one step further this afternoon. I am quite sure that he did not realize what he did nor did he intend to do it, but he managed to insult all senior citizens in this country. I will tell you how he did it. He did it by not

even mentioning the word "clawback". He did not even mention the subject. He did not allude to the issue.

There is no bigger insult than not recognizing people's feelings and concerns. Those people on the other side who form the government of the day know that the senior citizens in this country are angry. They are very, very upset. It took a little while for this issue to sort of grab hold, but senior citizens now know what is going on. This is no small issue to them.

Were their concerns recognized by the speeches from that side of the House this afternoon? No, not a word. In fact, what they really said to the senior citizens of the country this afternoon was that they do not count, that they do not matter. They sort of said: "Shove off, buster, we don't care about you." I consider that the ultimate insult. The senior citizens of this country have a grievance. They worked hard. They set aside a portion of their earnings. In fact, it was so designated in their income tax forms back in the 1950s and 1960s. That was pointed out by the Right Hon. Leader of the Opposition this afternoon. They paid into a fund, and the government comes along and takes it. To add insult to injury, the Tories did not even ask, they did not even consult.

• (1710)

Was there a word about the clawback in the 1988 campaign? Not a whisper, not a boo, not a word. As soon as they got elected, what did they do? They put this infamous, perfidious, pernicious, ugly, nasty clawback into the budget, all in the name of deficit reduction. In fact, I got the feeling that the Conservatives have come to the conclusion that they can do anything, any damnable thing, any abominable thing, as long as it is in the name of deficit reduction. In fact, deficit reduction has been put up on a pedestal so high why, we might as well canonize it, make it a saint. Perhaps we should call it "Saint Deficit Reduction". Perhaps that is what the Tories want.

It is pretty shameful and they are not going to get away with it. They may use their majority, they may use their numbers, but they are going to pay for this because the seniors of this country are not going to forget. As far as I know, we still have a democracy in this country and as far as I know, we are going to have an election down the road. The senior citizens of this country are not going to forget.

Why does this government pick on seniors? Are they some kind of special group to be abused? They worked hard, put their money aside, they were expecting something and now this discrimination comes along, this discriminatory measure. If you reach a particular age, a particular plateau and if you have a particular level of income, they are going to hit you. In effect, they say: "Well, you have reached a certain age and we are going to pick you out for a particular kind of assault". Senior citizens do not like that and they are going to remember.

I do not think that the government of the day is listening because there is unrest out there. We get telephone calls, we get letters, we get petitions. The people want to put a stop to this. There have been editorials written. I want to read into the record some remarks that were made in a publication entitled *One Voice*. It is the voice of senior citizens. There is an article in it called "Clawback Sparks National Outcry". I want to just pick out a few paragraphs because they put their argument against the clawback quite succinctly. I will not go into the preamble, but in the third paragraph, the article continues:

> The same—or more—revenue could be generated by raising the rate at the top income tax bracket by only 1 percent, thereby taxing all high income earners.

In other words, if they think they need this money, they do not have to use a clawback. A mere 1 per cent on high income earners and they would get what they want.

The article continues:

> Many view the mechanism as discriminatory, since it taxes pensioners and families at a higher rate than others earning the same income.
>
> Of greater significance and concern is that over the years more and more pensioners and families will start repaying their benefits.
>
> Partial indexation is responsible, the threshold is now $50,000, but by the year 2000—

And that is only 11 years away.

> —it will have fallen to the equivalent of $35,000 in today's dollars. By the time the Baby Boom generation enters retirement, most of them will have to repay their OAS benefits through the clawback.

That is what the seniors are saying. This is not the imagination of an opposition member. This does not come out of the blue. This is what the senior citizens of Canada are saying.

The article continues:

> In the meantime, once we have accepted the principle of the clawback as part of our system, governments of the day are free to set the threshold as they wish—$30,000, $20,000, etc.
>
> There are widespread fears that the clawback is the "thin edge of the wedge", a wedge which will destroy the Canada's much envied universal social benefits program.
>
> History will remember the clawback as the end of universality, not for its drop in the deficit bucket.

I want to repeat that because these are words of wisdom. I repeat:

> History will remember the clawback as the end of universality, not for its drop in the deficit bucket.

Are government members listening? Are they paying any attention to what senior citizens are saying? Not a boo, not a word. In fact, we have heard two speakers this afternoon from the government side, and they have not had the decency to address this issue raised by senior citizens. It is as if senior citizens just do not count. They are not important. Obviously what they are saying is not going to contribute to the debate. We will just forge on, push ahead, because we are right. They are not right.

I want to say something about universality because the clawback does end universality. There is no argument about it. For the government to say it does not end universality because they are entitled to it unless, of course, they earn too much begs the question.

We on this side of the House feel strongly about universality because we want a country that is united. We want a country that does not have several strata of groups of people. We would like to think that we have a country where all of us are equal, that you are not separated by income, for example, or by some particular station in life. That is why we feel strongly about universality. That is why we feel that there should be equal opportunity, that everyone should be treated equally, that equality reigns supreme. That is why we have something like medicare. That is why we have a system of hospitalization. That is why we have a public school system. That is why we have an old age security system that is open to all.

That is important because when you have something that is as fundamental as an old age security program, you should not be going around asking questions: How old are you? What's your income? Where do you come from? There should only be one question and one question only: Are you a Canadian citizen? If you are a Canadian citizen you are entitled to it, you get it. Yet, this government says no.

We have built up a tradition in this country. We have built up a system of equality that recognizes all Canadians as equal and these people want to put an end to it. They are going to bring about what is called the means test. Oh, they will deny until the cows come home that they are bringing in a means test, but that is exactly what they are going to do.

• (1720)

In the old days, you started the means test at the bottom. This clever bunch started it at the top. I think the idea was to fool Canadians, particularly the senior citizens. We will not start the means test until the $50,000 income level and people will not notice or catch on.

Well, people have noticed. They have recognized it and see it for what it is. It is that nasty, mean, pernicious old means test. It was rejected by our parents, it was rejected by our grandparents and, by golly, it is going to be rejected again by the current generation of Canadians. The government may get away with it for a while but not for long. I think the senior citizens of this country have a long memory.

Not only can the threshold of the clawback move, $50,000 today and $40,000 tomorrow and $30,000 the day after that, even if you did not move the threshold by $1, you would still lose something through deindexation. If you do not move the threshold, what is the value in today's dollars? What is the value of old age security as a result of the clawback 11 years from now at the turn of the century? The fact of the matter is that it is going to be worth perhaps $30,000 or $35,000. In effect, that is where the threshold will be even without moving it.

I opened my remarks by mentioning truth and how it has been a casualty this afternoon as a result of some presentations from the other side. This is nothing new. This whole clawback scheme was a sneaky thing right from the beginning. The Conservatives never said a word back in the 1980 election. Do you think for a moment that the clawback had not crossed their minds, that it had never entered their skulls, permeated their craniums? You can bet your bottom dollar that it was there all the time in the back of their minds. It was, as my good friend from Kingston and the Islands said, on their hidden agenda. When they get elected and know they do not have to face an election for four years, they show a little

nerve, this unmitigated gall, arrogance, hubris. This is a government of hubris. They did it without telling Canadians what was coming. In other words, to heck with democracy. Why do we have election campaigns? Why do we have democracy? Is it so they can just go ahead unilaterally without consultation? That is not my notion of democracy and I do not think it is the notion of democracy of many Canadians, except for that bunch over there.

I would say in closing that the clawback is part of a pattern. We see this pattern in cuts in VIA Rail, the closure of post offices in rural Canada, the privatization of Air Canada, the gutting of the unemployment insurance program. It goes on and on and on. Now we have the clawback.

This has been an attack on seniors. It is a betrayal of the senior citizens of this country. They do not deserve this kind of treatment. They deserve our respect. They earned their right to this pension. I have nothing against the richer people in this country, regardless of age, paying their fair share. I want them to pay their fair share, but it need not be done through this kind of discriminatory measure. You can do it through a fair taxation system. You do not even need to be a genius. In fact, you can be a Progressive Conservative. If you just apply yourself, you can figure out a fair taxation system that will not assault every senior citizen in this country.

This is my entreat. I beg and I beseech and I implore this bunch on that side of the House to open their ears and listen. Get the message. The message is clear. It is as clear as the nose on your face. They do not like it. It is not good for the country and it must go.

Mr. Milliken: Mr. Speaker, I rise on a point of order. A minister has finally come into the House. I will repeatedly object to the fact that on an important bill, particularly on a budget bill, there ought to be a minister sitting in this House. There is nobody here.

Mr. Deputy Speaker: There are ministers here.

Mr. Butland: Mr. Speaker, I have to agree with my hon. colleague on most of his points but I do have some concern as to what the Liberal alternative would be. Our alternative is as we have said *ad tedium* even for ourselves. Now it is becoming ever more apparent that it is the right thing to do.

It is often said that Liberals sound like New Democrats in opposition and like Progressive Conservatives in government. Can we trust you any more than the government side? Will you really dare increase the taxes on the rich? History really does not distinguish you from them. You had your opportunity to implement a fair tax system. You did not do it. What is the Liberal alternative?

Mr. Harvard: Mr. Speaker, if the gentleman had a question, I did not hear it. I was distracted.

Mr. Butland: What would the Liberal alternative be?

Mr. Harvard: Mr. Speaker, the question is ludicrous. It is not a question of a Liberal alternative. It is a question of a Liberal program that was put there by Liberals.

This country has not yet suffered through a democratic administration at the federal level. Manitobans have and the people of Saskatchewan have as have the people of British Columbia.

I find it rather lamentable that the hon. gentleman from British Columbia would attack us. I thought the rotten bunch was those people over there. I thought he would go after them, but he is some kind of elephant. He wants to go into the past.

I will remind him of this: Who brought in UIC? Who brought in family allowance? Who brought in Old Age Security?

Some Hon. Members: The Liberals.

Mr. Harvard: I could go on and on and on.

Mr. Crosby: Mr. Speaker, I want to make a comment and then I will put a question to the hon. member for Winnipeg—St. James. Replying specifically to the Member for Kingston and the Islands, he constantly rises in this House to make the point of who is here and who is not here, notwithstanding the rule that that is not an appropriate subject for comment.

What I want to say to him and to anybody else who happens to be listening is that unfortunately for the member for Kingston and the Islands, every word spoken in this House is recorded for all time. It is on videotape. It is on the written record to be read and understood. I

want to tell you that we find out everything that is said by members opposite. We record it and we respond to it.

• (1730)

This very day the Leader of the Official Opposition said in this House of Commons that he was the author of financial responsibility in Canada, that he brought in budgets and so on but what he did not tell the House and what should now be recorded is that, having done that he left, he went back to his roots in Bay Street and let hyper inflation take place, let the interest rate go up into double digits let unemployment go into digits, let 1,300,000 Canadians become unemployed as a result of those policies.

I want to ask the member who now brags about introducing programs what his point is. Do we in this nation, in order to create financial responsibility, raise revenues, or reduce services? I understood the member's speech to mean that we should maintain services, increase services and lower revenue. Surely, he cannot deny that that is simply going to raise the deficit, cause more pressure to inflate interest rates and all other cost factors in this nation and lead us into the very kind of thing that defeated his government in 1984.

Mr. Harvard: Again it is that same old line from the Conservatives. Anything, as long as its done in the name of deficit reduction, is right. Even if you turn a class of Canadians into second class citizens that is all right with them. Well, damn it, it is not all right, it is not. What gives them the right to destroy universality? What gives them the right to assault elderly Canadians, the senior citizens, the people who built up this country. They do not have the right. We built up in this country traditions, customs, conventions, a system, a whole line of programs and they have come along to destroy them one by one, one after another. They do not have that right, and they are going to get the message in 1992 or earlier that what they have done is absolutely wrong.

Mr. Boudria: Mr. Speaker, I want to ask a question of my colleague for Winnipeg—St. James. I want to congratulate him first for the very thought provoking and excellent speech that he made this afternoon.

Earlier I asked a question of the member for Trois-Rivières. I asked him if he felt that it was okay to expropriate the property of our senior citizens if they had earnings beyond a certain threshold, namely, $70,000. I think I can say from his reply that it was okay with him, that he felt that it was all right to take back the property of the senior citizens of this country if they had earnings beyond a certain limit. I want to ask my colleague what he thinks of that kind of answer from the member for Trois-Rivières.

Mr. Harvard: I do not think it is much of an answer. Where I grew up, a deal was a deal, a bargain was a bargain and a contract was a contract. In other words, your word was your bond. I thought there was a solemn contract between the federal government of this country and the senior citizens of Canada that a deal was in place, that they had contributed to this scheme and when they reached age 65 they would get benefits under old age security. That is not the government view. It feels that it has the right to abrogate that contract, to shirk its responsibility. I think that is a dastardly deed.

I put it this way, can you imagine if a private company did this, can you imagine if a life insurance company on some particular pretext said, "We do not have to honour your policy, you have reached age 65 or, you know what, you have been too successful, you have made too much money. You know what, we have had kind of a bad year, or we had a bad decade, so we are going to take a little out of your pocket. Is that not kind of fair? We will just sort of ignore the words in the contract".

Well, I don't think that is fair. Certainly no one on this side of the House feels it is fair and I will bet you my last loonie that not one senior citizen thinks it is fair either.

Some Hon. Members: Hear, hear!

Ms. Mary Clancy (Halifax): Mr. Speaker, I begin to debate today this terrible bill, the end of universality in Canada, but I begin by making reference to something that was said by my hon. colleague from Winnipeg—St. James when he talked about "Saint Deficit Reduction". Much as I agree with his speech I think we have to say and it has to be admitted that Saint Deficit Reduction does not come from realms celestial, it comes from the other side of this House where celestial matters are much lacking. It comes instead from the netherworld and from a form of social planning that attacks Canadians rather than helps them.

Mr. Boudria: An unholy bunch.

Ms. Clancy: An unholy alliance of Canadians from coast to coast who are prepared to see the end of social programs as we know them, as Canadians have come to expect them, and as all people in this country who paid taxes until 1971 contributed to them.

Universality; the principle of treating all Canadians alike, of fostering a sense of community, a sense that all Canadians share in some of the riches of this country and in some of the benefits. Universality; which says to senior Canadians, you contributed; you worked years ago for 35 cents an hour, for 50 cents an hour; you were taxed. But now you are going to get some return on those taxes. Universality; unlike other social programs, universal benefits do not—

Mr. Crosby: Does that include everybody?

Ms. Clancy: I am sorry, Harry, I didn't hear that.

Mr. Crosby: Does that include millionaires?

Ms. Clancy: It includes millionaires. Have you got something against millionaires? Are we going to be prejudiced against millionaires here? No, Howard, you have 10 minutes at the end, just wait, chill it.

Unlike other social programs, universal benefits do not set the poor apart from the millionaires, they do not make the poor feel like second-class citizens. We are not back to the days when the hon. member from Halifax West and I, who share a common Irish ancestry, saw signs that said, "No Irish need apply". We are not back to the days when Canadians who live on one side of the railroad tracks are considered inferior to Canadians who live on the other side of the railroad tracks. Universal benefits do not set the poor apart from the rich and they do not stigmatize lower income Canadians.

Not too long ago I was in a bank in the neighbourhood which the hon. member from Halifax West and I used to share—he had to move out of town; I don't know if that was because of social programs or not. While in the bank I met a woman who worked for 45 years in the city of Halifax in the private sector. After 45 years of working she retired at age 65 on a pension from her private sector job of $40 a month. You are not really going to keep yourself very well on $40 a month. But this woman was in receipt of the old age pension. She would not, however, apply for the guaranteed income supplement to which she was entitled. In talking to her that day I asked her why not. She told me why not. She referred to another woman in that same bank line who had worked for over 40 years in the public school system of Nova Scotia and, thanks to the lobbying techniques and the good contractual relations practised by the Nova Scotia teachers union, this woman had a secure pension, cost of living adjusted, but she, too, was in receipt of old age pension benefits. My friend, the woman with the princely pension of $40 a month said: "You see, we both get the old age pension. I am not getting a hand-out; I get it, she gets it. I feel that I can accept this with pride."

This woman still lives in my riding. She still gets a pension of $40 a month. She still won't apply for the guaranteed income supplement because, in her mind, it is a hand-out. How is she going to feel when she looks at her contemporaries who, because of different lifestyles, different modes of financial planning—and probably because of not being female in the work force—have managed to give themselves incomes in excess of $50,000 a year and thus are having those incomes clawed back, having those old age pension benefits clawed back.

• (1740)

I will tell you how she is going to feel, Mr. Speaker. She is going to feel like a second rate Canadian. In her pride she is going to say, "I cannot accept this because it is not given with an even hand to everyone in my situation, to everyone in my age group".

Fifty thousand dollars a year is not exactly a princely income, not in this day and age. Admittedly, it is a tragedy. In this country there are far too many people who fall below that income. But let us look at the one income family, $51,000 a year, on a pension alone. There is no way to get around that, the clawback will come into effect. The clawback will take benefits away from those senior citizens with a pension income in excess of $50,000 a year.

In my province of Nova Scotia we are very proud people. in spite of the hard knocks that have been dealt to us, particularly in the last couple of years by the federal government, we pride ourselves on the ability to plan for the future. Senior citizens in Atlantic Canada have planned for the future and part of that plan, no matter what their income may be, includes the old age pension. Suddenly, with very little notice, they are being told, "No, sorry, that no longer is part and parcel of your retirement income. That is gone." There is a great swipe

taken by this claw and it is leaving senior citizens right across this country bleeding.

We are also seeing a special tax on families with children, a tax that does not apply to families without children. This bill proposes a clawback of 15 per cent of family allowance and old age pension for taxpayers with incomes over $50,000 and a full clawback for taxpayers earning over $70,000. The claw-back on family allowance alone will take $1.686 billion out of family budgets in the next five years. This claw-back will affect 535,000 Canadian families, and the numbers will grow because within 10 years close to one million Canadian families will have begun to lose their family allowances and old age pensions due to the partial indexing of the $50,000 threshold.

I spent 10 years in the practice of family law in the city of Halifax. The bulk of my clients were women—women and children in crisis—and not all of them were what we consider to be poverty level. Indeed, many of them were women who lived in the finest neighbourhoods in luxurious houses, who were married to men who made incomes that would certainly put them well beyond the limits of this clawback. But I saw women in my city of Halifax save the family allowance benefit month after month, year after year, until they had enough money to get themselves out of untenable situations; situations where they themselves were abused, situations where their children were abused physically, emotionally and spiritually.

The family allowance, in particular, has great meaning for Canadian women. For many women it is the only income that they have. It is the only money that they see with no strings attached that belongs to them. It is money that they do not have to account for to their husbands. Suddenly, the husband's income tax is going to be clawed back to cover these benefits. What is that going to do in a household where a wife is trying to save that money for an escape hatch? That added stress in that family situation is going to create untold hardship and untold misery for women and children right across this country I wonder if the government has considered this. I wonder if, in the hardness of their hearts, they wonder how children and women in Canada are going to react to the pain that this clawback will cause. So another group in this country is bleeding from the government's unceremonious and hard-hearted use of the clawback.

The claw-back proposal is particularly discriminatory against families in which only one parent works, and yet we see a government that is happy to fund anti-equality groups like REAL Women who say, not necessarily incorrectly, that in the best of all possible worlds a woman should stay at home and look after her children. Nobody who labours in the fields of the battle for women's rights disagrees with that in principle. We agree that women should have a choice.

We also know that in this country today, given the extent of the economic exigencies plaguing the Canadian family, the number of women who have a free choice to stay home or to go out to work is getting smaller every day. We know, Mr. Speaker, because the statistics tell us that women work, not to provide colour television sets or trips to Hawaii or any of the things that the government obviously thinks is behind the influx of women into the workforce, but to keep their families in food, shelter, clothing and education.

But what will happen with the claw-back? The one parent who works and supports a spouse and children will be in a far worse position than a family in which both parents work and earn under the clawback level. A family in which both parents work and earn $49,000 will not have to pay back any of their benefits, but a family in which one parent works earning $75,000 will lose all their benefits.

Where is fairness, Mr. Speaker? Where is the Canadian way? Where is the idea that this government allegedly adheres to in supporting the Canadian family? It is not there for Canadian women. It is not there for Canadian children. It is not there for older Canadians. I do not think it is "Saint Deficit Reduction", I think it's a case of a government that says, "We do not care. This is not on our priority list. This is not important to us as a government. This does not come within our financial plan." Well I can only say that a financial plan that leaves Canadians in the kinds of situations that this one is going to leave them in is one that comes from people who clearly do not think very far into the future.

I represent one of the most more prosperous areas of Atlantic Canada, at least we were a little more prosperous until the budget was unleashed upon us this spring. What we have seen in Halifax, what we have seen right across my region, and what I and my colleagues on this side of the House—because most Atlantic Canadians

sent people to this side of the House—hear when we go home to our ridings is a tale of woe. We see senior citizens worried about the pensions that they are going to lose. We see senior citizens worried that while they are going to get their pensions clawed back, they are going to be hit with a 9 per cent sales tax. We see young families wondering if they are going to be able to bring their children to the regional health facility in Halifax because the trains are cut.

Last week after the VIA cuts were announced there was a particularly poignant story on the CBC news. A young woman, the mother of a small child, in one of the outlying areas of Nova Scotia, has to bring that child on a monthly basis to the children's hospital in Halifax for chemotherapy. That young woman has taken the child in the morning by train, found it very comfortable, brought the child for treatment, and then has been able, because of the further comfort of the train, to take him back that evening. That young woman is now faced with the fact that when she brings her child for therapy in the future that she will have to spend an extra day and a night in Halifax because taking the child home by bus does not have the comfort, does not have the ease and the facility that the train did, so she has an excess cost.

She has an excess cost because she is going to get hit with the general suffering tax. And she may well—I do not know what her income level is—but she may well be hit with an excess cost if she comes over the income level for the clawback. And if she does not come over the income level for the clawback today, Mr. Speaker, you may rest assured that she probably will within a few years.

• (1750)

We talk about fairness and about the things to which Canadians aspire. We talk about a vision for Canada. I look at my riding that has 22 senior citizen apartment complexes. We are an aging population. If nothing else, a government that truly plans for the future should be looking at that planning in the sense of that aging population, in the sense that within a number of years all of us who are lucky enough to live that long are going to be in the position of being senior citizens and pensioners.

If we have no sense of what is fair for the people whom we represent today, would it not at least be sensible for this government to have some idea of self-preservation for the people who will be seniors in the future? I guess not, Mr. Speaker. What we have here is an uncaring government. What we have here is a government that says that universality is a thing of the past. A sense of pride for Canadians, whatever their income level, is not important. A sense of self-worth for older Canadians who have spent their time building this country, sacrificing for this country, sacrificing for their children and sacrificing for generations yet unborn, is worth nothing. Nothing, Mr. Speaker. I call that, not something that comes, as I said earlier, from the realm celestial, no, that is someting that comes from the realms that this government will someday be more familiar with.

Some Hon. Members: Hear, hear!

Mr. MacDonald (Dartmouth): Mr. Speaker, I rise today to add some comments and to put a question to my colleague from across the harbour. I have been listening to the debate today. I listened to my hon. colleague for Halifax West who sits on the other side of the House, and I can tell you that after listening to my colleague for Halifax I am certainly very proud to be sitting on this side of the House with somebody who cares as much about the people in her riding and Canadians and senior citizens as what her comments just illustrated.

First of all, I would like to say that many people on this side of the House, all the Liberals on this side of the House at least, are concerned about the clawback provisions that the member for Halifax so eloquently spoke about. Every individual on this side of the House, and probably on the other side of the House as well, has received phone calls, has received letters, has been visited by seniors, who, as the member said, feel betrayed by this government, who feel that they were sold a bill of goods. Mny of these seniors, prior to the last election, gave some members opposite another chance after the government tried to partially deindex old age pensions. One of the things that is particularly troublesome is the callous disregard of the government of illustrating its true agenda during the campaign.

I can remember quite clearly that during the campaign at one point the Prime Minister, speaking to a group of seniors, I believe somewhere in Quebec, had the audacity to take his mother forward and say to the crowd, "Don't worry about old age pensions, I will never touch them. My mother is on old age pension. Do you think I

would do that to my mother?" Well obviously he has done something to his mother and it hasn't been to protect her pension. What he has done with this particular piece of legislation that has been presented by his minister is to make a mockery of the trust that has been placed in him by many of the seniors across this country.

Initially, this government has tried to silence the seniors. It said that anything over $50,000 will be taxed back, as if $50,000 was $50,000 in the spending power of 1982. The government said it would not touch the universal pension. The government tried to tell seniors who had planned their futures properly and who felt that they had a right to a universal pension to keep their mouths shut because if they told people that they were concerned, it would mean that they were making $50,000 and somehow they should hang their heads in shame.

I say that this government should hang its head in shame because the people who have built this country and made this economy as strong as it is, many whom have saved and struggled all their lives, as my hon. colleague from Halifax has said, are deserving of the benefits of good planning, but they are also deserving of good, fair treatment from this government.

Earlier, the Leader of the Opposition mentioned that most of these individuals over the age of 40 have paid a special tax so that they had access to this universal pension; not a welfare payment, not a subsidy but, as my colleague from Halifax has said, something that they felt was a right that they had paid into.

I would just like to add my voice to the comments of my hon. friend from Halifax and say that the legislation is not just regressive, but shows a total disregard and a total lack of caring for those who have given so much to make this country what it is. The members on this side of the House will not let the government get away with this, even if this legislation does pass without amendment. We will stand up for those seniors because the members opposite have forgotten how to do that.

Ms Clancy: Mr. Speaker, I would like to thank my hon. colleague, the member from Dartmouth, for his comments. I would like to say that the government can be put on notice that the Liberal members from Atlantic Canada are not going to be fooled, their constituents are not going to be fooled and, indeed, the constituents from their neighbouring ridings are not going to be fooled either. We know what fairness is, we know what pride is, and we know what making a contribution to this country deserves. It does not deserve the treatment that has been handed out by this government. It does not deserve the treatment that seniors and families with children can look forward to. It does not deserve unfairness. It does not deserve regressive taxation and it does not deserve the kind of cowardly, uncaring treatment that they have received.

The time is over and the time to take the blinders off is now. I, on behalf of my colleagues from Atlantic Canada say; Take off your blinders and look to see the train that is hurtling towards you. You can derail VIA, but you cannot derail the proud people of Atlantic Canada.

Mr. Crosby (Halifax West) Mr. Speaker, in the few minutes that are left to us in this House of Commons before you see six o'clock, let me try to answer some of the disinformation that has been spread through the rhetoric of my friends from the Halifax–Dartmouth area.

They would have Canadians believe that they are protecting the little persons of Canada, those in need. What could be further from the truth? What the government is asking in this change is for those senior citizens, persons over 65 years of age, who are receiving from the national treasury of Canada an allowance per month, and if their income, in addition to that allowance, exceeds $44,000 and rises to $77,000 per individual, that they pay a portion of that back to the national treasury.

Now why do we want them to pay a portion of that back to the national treasury? So we can take those dollars from $75,000 plus income–earners over 65 and provide that to persons who are truly and really in need. And what do the members opposite say? They say: "Stop that. Don't do that. We want them to keep every cent of the $75,000. We do not want them to share that with those in need in Canada".

I just want to put the question to the member, is the great danger to persons in need in Canada not a bankrupt national treasury? Is the real danger not that the government will not have funds, like the Government of Poland does not have funds, like the Government of Brazil does not have funds to pay people in need? Is that what she wants to do, bankrupt Canada so we can nationalize poverty?

Ms Clancy: Mr. Speaker, permit me to give a brief answer to my verbose friend. I would just like to say that perhaps the member has heard of fair income tax. A clawback is a clawback and income tax is income tax and the twain could meet if the government put its mind to fair income tax.

As to a bankrupt treasury, fine words from a member sitting on the side of the House that doubled the deficit in four short years—doubled the deficit, Mr. Speaker. I say give us fair taxes, don't give us any more deceit.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: I regret to interrupt this lovely debate.

It being six o'clock, this House stands adjourned until tomorrow at 11 a.m., pursuant to standing order 24(1).

The House adjourned at 6 p.m.

APPENDIX A

ADDRESS
of
HIS MAJESTY, KING HUSSEIN BIN TALAL
of the
Hashemite Kingdom of Jordan

to
Both Houses of Parliament
in the
HOUSE OF COMMONS CHAMBER, OTTAWA

on
Wednesday, October 11, 1989

Government Orders

ADDRESS

of

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of the

Hashemite Kingdom of Jordan

to

Both Houses of Parliament

in the

HOUSE OF COMMONS CHAMBER, OTTAWA

on

Wednesday, October 11, 1989

[*English*]

The King was welcomed by the Right Honourable Brian Mulroney, Prime Minister of Canada and thanked by the Honourable Gildas Molgat, Deputy Speaker of the Senate and the Honourable John A. Fraser, Speaker of the House of Commons.

Hon. John A. Fraser (Speaker of the House of Commons): The Right Honourable the Prime Minister.

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, colleagues, ladies and gentlemen:

We meet here today to mark the visit to Canada of His Majesty King Hussein Bin Talal of the Hashemite Kingdom of Jordan, and of his gracious wife, Queen Noor. Welcome, Your Majesties. We are honoured to receive you. In this House and in this country you are among friends.

We also celebrate here today the landmark first address to the Canadian Parliament of the leader of an Arab country. Your autobiography and the testimony of many respected world leaders record your dedication, sir, to the cause of peace in the Middle East. In fact, few, if any, have shown greater determination in this cause nor pursued it with greater resolve.

As Prime Minister Thatcher has said so aptly of you, Your Majesty, your human qualities, above all your courage and clear-sightedness, have earned you both respect and admiration world-wide. I can assure you, sir, that admiration is shared by every member of this House and by all Canadians.

• (1120)

[*Translation*]

Canadians hold in high regard and genuine friendship those leaders in the region, such as you, your Majesty, who have had the great courage and profound wisdom to look beyond intractable conflict and seek a just and durable peace. We, in this House, know that you have taken great personal as well as political risks to bring an end to the Arab-Israeli conflict. For this, we salute you.

[*English*]

Canadians know that they are truly fortunate to live in a region of the world that has been spared the destruction of war for its entire existence. But Canadians have served and suffered and sacrificed their lives in wars abroad. They have seen the horrific consequences of war in the Middle East where Canadians have participated in virtually ever peacekeeping initiative since the UN's foundation. It is for these reasons that Canadians want nothing more for your region, Your Majesty, than that all its countries and all its peoples live, at last, in justice, security, and peace.

Successive Canadian governments have supported all constructive efforts to achieve a comprehensive negotiated settlement of the problems of the Middle East. Canada's support for Israel's right to exist and for its security is well known. It enables us to speak frankly to our Israeli friends, as I did in the presence of President Herzog in this House in June, when I said that Canada supports the concept of land for peace.

But we believe that peace will not come if any of the parties is so threatened by the actions and statements of others that it feels it must give absolute priority to security over peace.

[*Translation*]

We believe that peace will only come on the basis of respect for the security, well-being and legitimacy of all states in the region, and of respect for the rights of the Palestinian people. And those rights include their participation in the determination of their own future.

Over the past year and a half, developments in the Middle East have altered long-standing assumptions about the nature of the peace process. Your own courageous and difficult decision last year, your Majesty, to disengage from Jordan's historical links with the West Bank was a turning point in the peace process.

[*English*]

The time is now arriving when other leaders in the Middle East must make equally difficult but far-sighted

decisions as you have, Your Majesty. The Israeli government's proposal for elections was, we believe, a significant initial step in a political process that could lead to a negotiated settlement.

We are encouraged that President Mubarak has joined actively in the search for progress; his ten points have taken the peace process a step further. Canada stands ready to advance this process in whatever ways we can.

Comparable hope for a settlement in Lebanon, as you mentioned last evening, has been overwhelmed repeatedly by violence and hate. Canadians look on the heart-breaking situation there with grief and dismay.

[*Translation*]

Members on all sides of this house are particularly touched by the anguish of Canadians with family and loved-ones caught in the terrible cycle of civil war in Lebanon. Like you, we pray for a political settlement that reflects the aspirations for peace of all Lebanese and that will restore their country's national unity, sovereignty and territorial integrity. We are encouraged by the efforts of the Arab League Tripartite Committee to establish a basis for national reconciliation and we hope, for the sake of all the Lebanese people, that this time, the cease-fire will lead to peace.

[*English*]

Thanks to your especially strong and impressive leadership, Your Majesty, Canadians see in Jordan an island of stability and economic development. Jordan is a land of ancient civilization. Canada is yet a young country of modern history. This year marks the twenty-fifth anniversary of the establishment of diplomatic relations between Canada and Jordan. What brings us together is not only diplomatic association but the prospect of ongoing friendship and constructive co-operation. The economic links between us are significant and growing. Petro-Canada International's technical assistance program to identify oil and gas reserves in your nation is a major case in point.

Your visit here, Your Majesty, and that of your gracious Queen, allows us to strengthen our friendship and build our bilateral relationship and broaden the common ground we share in the search for peace. I am, personally, very much looking forward to continuing the excellent dialogue that we began in The Hague. All Canadians, Sir, are anxious to hear your views.

Colleagues of the House of Commons and the Senate, I present to you His Majesty King Hussein Bin Talal of Jordan whom I now proudly invite to address the Parliament and the people of Canada.

HIS MAJESTY KING HUSSEIN OF JORDAN: Mr. Speaker, ladies and gentlemen, I would like to thank his excellency the Prime Minister for his kind introduction. It is indeed an honour, a privilege and a pleasure for me to visit Canada again and to address this joint session of the Houses of Parliament.

Whatever the differences between our respective cultures may be, there is an important heritage which we have in common: the tradition of civilization, over 5000 years old, going back to humanity's first urban settlements in the lands of Egypt, Jordan, Syria, Palestine and Iraq—today, the heartlands of our Arab world.

In ancient times, our vast, beautiful and spiritually evocative landscape inspired the birth and expansion of three of the world's most enduring religions—Judaism, Christianity and Islam. In medieval Islamic times it was in the schools and libraries of our Arab cities that the great patrimony of classical knowledge was translated into Arabic, preserved, refined, and ultimately passed on to an emerging Europe, to spark the first stirrings of the Renaissance. It was among the great Arab and Muslim centres of learning in Baghdad, Damascus, Cairo and Andalusia that medieval scholars, thinkers and scientists expanded the frontiers of human knowledge in such fields as astronomy, mathematics, philosophy, ethics, medicine and law.

Today, of course, the tables are turned, and we find ourselves at civilization's receiving end. Also, we are saddled with a different reputation. The genesis of constructive pluralism, of which we were the original pioneers, is forgotten and the conflict of contemporary nationalisms holds sway. Central to our present predicament is the need to reach a settlement over the question of Palestine. And it is to the particulars of this question that I shall address myself today.

Rather than go into the history of the Palestinian-Israeli conflict, I shall concentrate on the way in which matters stand right now.

Since last year, the Palestinians and the Arab world have made a historic compromise—to concede geography, but not quality of national rights. The PLO has met all the prerequisites and requirements to achieve a peaceful settlement of the Palestinian–Israeli conflict in line with international legitimacy and global consensus. The one remaining obstacle to a just peace is Israel's inability to reach a decision on the future of the Arab territories that it has occupied by force for over 20 years.

At present, one–half of the Israeli governing coalition favours a territorial compromise. The other half looks for ways to fulfil its avowed pledge to annex the territories, albeit in a camouflaged way to avoid regional and international repercussions. Unable to achieve more than the lowest common denominator of political consensus, the Israeli government tries to mire the peace process in debates over modalities and procedures in order to gain time and forestall the moment of decision.

Hence the convoluted process inherent in the Israeli Prime Minister's plan for elections in the occupied territories. Palestinian representatives are needed to talk to the Israeli government about elections which, in turn, are needed to select Palestinian representatives to talk to the Israeli government. To help break the impasse, President Hosni Mubarak of Egypt made his ten–point proposal on the issue of elections. It is not an alternative plan nor is it a set of preconditions for dialogue. The peace plan, as approved by the Israeli government in May, called for Egypt's assistance and the ten points have come in the spirit of the proposed process. We believe that the Mubarak proposals constitute a helpful vehicle to advance the peace process. Ironically, we now see the Israeli Prime Minister trying to derail the very process which he claims as his own brainchild.

These attempts to forestall the inevitable are futile. No matter how long and winding the road may be, no matter how many twists and turns it contains, it will ultimately lead to the question: Does Israel accept the application of United Nations Security Council Resolutions 242 and 338 to the Arab territories that it now occupies as they were applied to Sinai?

There is only one Resolution 242 and it is ironic to see Israel accept its application to Sinai in its entirety and float a different interpretation of the same resolution where the West Bank is concerned. If Israel were to accept this principle, the modalities would not constitute a hurdle and the road to the international peace conference would be open.

As we strive to bring about a peaceful resolution of the Palestinian problem, in all its aspects, a resolution that allows Palestinians to exercise their legitimate national rights and guarantees the security of all nations in the region, we are saddened to see Lebanon, once a haven for democracy, art and culture, come so close to being a den of iniquity where outlaws find sanctuary and terror reigns.

We find it encouraging that the plan of the Arab tripartite committee has been accepted, not only by all the Lebanese factions, but also by all Arab Governments. We sincerely hope that the newly formed Lebanese Security Committee will continue to function, and that the tripartite committee will continue to receive the co–operation of all parties concerned. We thank God that the cease–fire is, at last, being observed. But it would not be sufficient to stop the bloodshed and silence the guns.

Another area where we are disappointed to see the truce failing to develop into a permanent peace is the Gulf. We are very keen to prevent the cease–fire between Iraq and Iran from becoming a lull, in which the two sides catch their breath in preparation for the next round.

Each one of these conflicts—the Lebanese problem and the Gulf War—must be brought to a just, comprehensive, and lasting peaceful settlement, and it is imperative for the world community to help in this pursuit. Lester Pearson articulated this imperative most eloquently when he said: "Aggression, in any part of the world, constitutes in the long run, a threat to every other part. If it is true that we cannot tolerate a city of residential suburbs surrounding slums and degradation, it is equally true that we cannot be safe in a world community which condones lawless aggression in any part of it".

These insightful words have grown even more pertinent with the passage of time. The rapid advances in communications technology have increased the level of exposure and raised awareness of other cultures and ways of life, thus raising the hopes and expectations of the less fortunate to explore and take advantage of the new opportunities unfolding before them.

This optimism has resulted in a higher level of maturity, best evidenced by the atmosphere at the Ninth Non-aligned Summit in September of this year. The voluble anti-imperialist rhetoric of the past had given way to more quiet analysis of common concerns like international debt, regional conflicts, and the environment, and a search for co-operation in facing these challenges. One of the points that received virtually universal emphasis in the conference was that differences of ideology should not prevent good relations and co-operation between nations.

This pragmatic and constructive attitude cannot be taken for granted. It must be encouraged and nurtured because, if it fails to bear fruit, if the under-developed world is not helped to make headway toward the cherished goals of development and progress, the resultant frustration and socioeconomic ills would contribute actively to destabilising the countries concerned and their regions.

• (1140)

Nowhere is this more true than in the Middle East, especially since Israel has accumulated a nuclear arsenal and other weapons of mass destruction. There can be no global security in the absence of regional and national security and social stability. The opposite is equally true. Peace is the only path to the security and prosperity of any region, while conflict in any part of it turns the whole region into a time bomb that threatens world stability.

Ladies and gentlemen, the world has become so interdependent and closely integrated that no nation has the resources to face the challenges of our time on its own. Without organized and comprehensive regional plans of co-operation, the various countries' attempts at development become random shots in the dark.

This lesson was not wasted on the Middle East. We saw Europe begin to work toward political unity, having successfully achieved economic complementarity; we saw Canada enter a free trade agreement with the United States; and Jordan began to work for the establishment of the Arab Co-operation Council.

Today, the council comprises Egypt, Iraq, the Yemen Arab Republic, as well as Jordan, and remains open for the admission of other states that will be welcomed as constructive members in our community. All four countries have committed themselves to facing the social and economic challenges of the 21st century in a regionally co-ordinated effort to achieve comprehensive development. The success of this endeavour requires an atmosphere of political moderation and stability.

When we look at the experience of Europe we find that the political process that started with the European coal and steel agreement created in a short while more concrete foundations for European security than centuries of defensive pacts and innumerable balances of power. It did so by creating a common interest in stability that turned the most implacable enemies into staunch allies. It is our faith that the security of all nations in the Middle East can only be achieved through a similar process.

This is the security that we seek to achieve. We pray to God to grant us success in this endeavour.

Thank you.

Hon. Gildas Molgat (Deputy Speaker of the Senate): Your Majesties, Mr. Speaker,

[*Translation*]

—Mr. Prime Minister, Hon. colleagues in the Senate and the House of Commons—

[*English*]

Distinguished guests:

On behalf of my colleagues in the Senate of Canada, I thank Your Majesty for the honour you have paid us in addressing this joint session of Parliament. This Chamber no doubt reminds you of the British parliamentary traditions with which you are so familiar.

[*Translation*]

It is with great pleasure that we welcome Your Majesty and Her Majesty Queen Noor to this Chamber. It is entirely appropriate that you should be the first Arab Head of State to address this assembly.

[*English*]

We know that when you acceded to the Throne you decided to be a modern sovereign of your people. We knew that we would be moved by the words of a monarch who, during the 37 years of his reign, has played a critical role in the unfolding drama in the Middle East and in the search for a lasting and just peace. Canada too has been actively involved in the search for a solution which

would reconcile and do justice to the claims of the contending parties.

[*Translation*]

For two decades, Your Majesty, you and your government have succeeded in living peacefully with your neighbours, thus making Jordan a haven of stability and development in a region torn by strife. This has been achieved largely thanks to the courage, statesmanship and realism that Your Majesty has shown over the years.

[*English*]

Canadians in all walks of life have admired Your Majesty's willingness to take personal and political risks in the interests of peace. We have admired the reasoned, moderate tone with which you intervene on the international scene.

We are therefore extremely grateful to you and we thank you sincerely for sharing with us your preoccupations and your insights. I know your words have been eagerly listened to by all present.

On behalf of the Senate, I would thank you for visiting us. We wish Your Majesties happiness, peace and prosperity for your people and for the members of your family.

Mr. Speaker: Your Majesties, Members of the House of Commons and Senate, honoured and distinguished guests, ladies and gentlemen:

[*Translation*]

It is my duty, but it is also a great pleasure for me, Your Majesty, to say, speaking on behalf of all Members of the House of Commons and all political parties represented here today, how much we appreciate your visit to our country and your presence in this historic Chamber. And we are particularly pleased to receive Her Gracious Majesty Queen Noor, your wife, as guest of honour.

[*English*]

Your presence here today culminates a long and important association between your country and Canada. Diplomatic relations were established between our countries in 1964. Since then we have maintained contacts which we hope have done two things: first, to bring us closer as nations which desire peace and progress for all the peoples of God's earth; and, second, because of our association, we have created a relationship within which we have been able to discuss, in very frank terms, the Middle East situation and the concern and interest of all nations which hope for an end to hostilities and a just peace.

[*Translation*]

Trade, diplomatic relations and major diplomatic and state visits have all contributed to the development of this friendship and will continue to do so.

• (1150)

[*English*]

We in this place who have paid attention to events in the Middle East have no illusions; we are acutely aware of history, of tragedy and heartbreak, and also of the absolute necessity to find a solution based on common sense, reality, justice and compassion.

We are also aware that all of us on earth face a rapidly changing global environment. If public opinion research in this country is accurate, the great majority of Canadians believe that the man–made threat to our global environment is the greatest danger we face. If this is so, and many of us believe it is so, surely our two countries can persuade others that whatever the provocation for conflict there is now a terrible imperative to come together and save the world for all of us.

Your Majesty, you spoke of this last night when you said that environmental dangers "stop at no boundaries", and you went on to say that we must strive for "co–operation rather than confrontation" and that it must be within a spirit of reason and dialogue.

These statements illustrate we believe your own wisdom, and we are heartened by your comments which indicate that despite all of the problems which you face, you can say to us what so desperately needs to be said, co–operation rather than confrontation, reason and dialogue, and that our environmental dangers know no boundaries.

[*Translation*]

Your Majesty, you are welcome in this Chamber, and we hope we shall have the honour of receiving you again. We wish to express our earnest hopes for peace and happiness for your people and your neighbours.

[*English*]

Thank you, Your Majesties, for being with us today.

HOUSE OF COMMONS

Thursday, October 12, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the government's response to a petition.

[*Editor's Note: See today's Votes and Proceedings.*]

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STRIKING COMMITTEE

SIXTEENTH REPORT OF STRIKING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the sixteenth report of the Striking Committee.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*Translation*]

BROADCASTING ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of Communications) moved for leave to introduce Bill C-40, an Act respecting broadcasting and to amend certain Acts in relation thereto and in relation to radiocommunication.

The Acting Speaker (Mrs. Champagne): Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

The Acting Speaker (Mrs. Champagne): When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

PETITIONS

PROPOSED GOODS AND SERVICES TAX

Mr. Mac Harb (Ottawa Centre): Madam Speaker, pursuant to Standing Order 36, I have the pleasure to present here in the House of Commons a petition from Canadians who oppose the tax proposed by the Conservative Government, the 9 per cent GST.

[*English*]

Mr. Stan Keyes (Hamilton West): Madam Speaker, I have the honour and duty, pursuant to Standing Order 36, to present to this House 103 petitions containing over 4,000 signatures from the residents of my riding of Hamilton West, including the Hamilton—Wentworth region, who call upon the government to scrap this proposed goods and services tax.

These petitions are in addition to the ones I have already presented in this House and are only a portion of the remaining petitions of mine which are in the hands of the clerk. Some of these petitions were collected as result of a town hall meeting held in my riding at which 350 people attended and not one person was in favour of this government's proposed tax. They say, "enough is enough".

Hon. Ralph Ferguson (Lambton—Middlesex): Madam Speaker, I rise today pursuant to Standing Order 36 to present these petitions in the House of Commons, reflecting the ancient and undoubted right of the citizens of this country to present a grievance with the certain assurance that this honourable House will therefore provide a remedy.

The undersigned petitioners humbly pray and call upon this Parliament to reject the proposed goods and services tax.

VIA RAIL

Mr. Simon de Jong (Regina—Qu'Appelle): Madam Speaker, it is a great pleasure for me to introduce and present a petition to you signed by many of my constituents from Ituna, Hubbard, Regina, as well as members of my constituency of Regina—Qu'Appelle.

The petitioners are requesting Parliament to maintain our VIA Rail service. They point out that with the pronounced cuts by the minister, Regina will no longer receive rail passenger service. The petitioners are asking the government to maintain this essential service in order to maintain our national unity.

PROPOSED GOODS AND SERVICES TAX

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, I rise this morning on behalf of a number of Canadians who are petitioning this Parliament and the Conservative government to do away with its 9 per cent goods and services tax and go back to the drawing board. They claim that this new tax, which will be hidden from all Canadians, will be applied to virtually everything they buy. They petition the government to cancel this outrageous tax.

• (1110)

VIA RAIL

Mr. Ian Waddell (Port Moody—Coquitlam): Madam Speaker, I rise, as did my friend before me, the member for Regina—Qu'Appelle, with a petition on preserving VIA Rail. These petitioners from Saskatchewan are echoed in their sentiments by my constituents in British Columbia. The petitioners state that the railway passenger service as carried on by VIA Rail is an essential means of transportation for many Canadians and has been part of basic Canadian infrastructure for over 100 years.

They also mention the fact that this is an environmentally sensitive means of transportation. There are a number of signatures on the petition, which calls on Parliament to maintain VIA Rail, Canada's present national network, to upgrade VIA Rail with new equipment, and to give VIA Rail a sufficient budget to maintain its national mandate for passenger service. That is what the government should be doing.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, it is my duty to present a petition signed by some of my constituents who claim that the goods and services tax will be bad for Canadians.

[*English*]

These petitioners support their claim by saying that the Tory government has increased the present manufacturers' sales tax from 9 per cent to 13.5 per cent in less than five years. The Conservative government wants to impose on these Canadian consumers a goods and services tax which will be hidden. We would be the only country in the world having a two sales tax system, with each tax administered by a different level of government. The imposition of the tax will create an onerous burden on small businesses. The petitioners pray and call upon Parliament to reject the proposed goods and services tax.

Mr. Bob Speller (Haldimand—Norfolk): Madam Speaker, I also rise under Standing Order 36, to present a petition from a number of constituents in southwestern Ontario, duly certified by the clerk of petitions, which calls upon Parliament to reject the goods and services tax.

This is among a number of petitions that I have received at fall fairs throughout my riding which, unfortunately, are locked in the clerk of petitions' office now and which I will be presenting at a later date.

VIA RAIL

Mr. Ross Harvey (Edmonton East): Madam Speaker, I rise as I have before and no doubt will again under Standing Order 36 to present a petition signed by numerous Canadians, calling on the government to maintain VIA Rail Canada, to upgrade VIA Rail and to give VIA Rail a sufficient budget to maintain its national mandate.

This petition today is particularly appropriate, given the expressions by American rail companies of interest in operating a passenger rail service in Canada. Basically, these petitioners simply call on the government to reject the tender overtures of "Massah" to the south and rebuild a Canadian rail passenger network.

PROPOSED GOODS AND SERVICES TAX

Mr. Rex Crawford (Kent): Madam Speaker, I am honoured today to rise in the House and present a petition from London East, pursuant to Standing Order 36, which has been certified correct as to form and content. The petitioners pray and call upon Parliament to reject the goods and services tax.

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, pursuant to Standing Order 36, I have the honour and privilege to present a petition on behalf of the Golden Age Association of Bethora requesting that Parliament reject the proposed goods and services tax because of the serious and unfair hardship to low and middle-income Canadians.

[*Translation*]

Mrs. Shirley Maheu (Saint-Laurent): Madam Speaker, I also have a petition, pursuant to Standing Order 36, presented by the Golden Age Club of Saint-Laurent, which also asks us to reject this goods and services tax. I have several other petitions as well that are waiting at the Clerk's office.

[*English*]

Mr. Joe Fontana (London East): Madam Speaker, pursuant to Standing Order 36, it is an honour for me to present petitions on behalf of people from London East, London West, and London—Middlesex, as I have in the past, do so now, and will in the future, requesting that this government rescind and reverse this callous tax that it wishes to impose on every man, woman, and child across this country.

Mr. Tom Wappel (Scarborough West): Madam Speaker, I rise, pursuant to Standing Order 36 to present to the House four petitions containing a total of 121 signatures dealing with the proposed goods and services tax.

The people who have signed these four petitions are all in the riding of Scarborough West, and call upon the House to categorically and unequivocally reject any legislation which is brought forward for the purpose of implementing the said goods and services tax.

I am bringing these petitions forward, as I have done each day that I am in the House, and as I will continue to do each day that I am in the House, as I have many hundreds of petitions from members of my riding.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, I rise, pursuant to Standing Order 36, to present a petition duly certified by the clerk of petitions.

Canadians are fed up with the 31 tax increases that this government has imposed since 1984, more are in the offing, and they now see the goods and services tax as a sales tax, and on top of that as another tax grab.

I have 30 signatures here of Canadians who call on Parliament to firmly reject this proposed goods and services tax.

VIA RAIL

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is my pleasure to present a petition, pursuant to Standing Order 36 that has been certified correct by the clerk of petitions. The petitioners point out how disappointed and distressed a number of British Columbians are at the decision of the government to curtail VIA Rail service.

The petitioners point out that they would prefer that the government modernize VIA Rail and provide it with the necessary financing to turn it into a first-class, high speed passenger rail service for Canada, to build an appropriate infrastructure for the future, both in terms of transportation and also for the tourist industry.

PROPOSED GOODS AND SERVICES TAX

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, pursuant to Standing Order 36, it is my honour and pleasure to present a petition on behalf of concerned Canadians who are adamantly opposed to the goods and services tax.

They humbly request that the government look at what is being done to this country as it relates to taxes, and the fact that young people, in particular, are getting to the point in their lives where they wonder if it is even worth going to work in the morning when they know that the money that they are making is just going to the government to throw away on extravagant affairs, new limousines, and lots of ministers of the Crown.

I ask the government to look at this with seriousness and hopefully come to its senses before it is too late.

VIA RAIL

Mr. Rod Murphy (Churchill): Madam Speaker, I also have the honour to present a petition signed by people from a number of communities in Manitoba, including Gillam, Winnipeg, Sundance, York Landing, Pikwitonei, and other communities in Manitoba, expressing their concern with the government's intent to cut VIA Rail.

The petitioners believe that it will cost jobs, it is going to hurt the communities that are affected, and that it is part of a plan by the federal government to destroy the Canadian national railway system.

PROPOSED GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I have the honour to present a petition, pursuant to Standing Order 36, from certain residents of the city of London. These petitioners have realized the old maxim that "Tory times are hard times", and have signed this petition opposing the goods and services tax to indicate their desire to avoid the worst excesses of this government in taxing them to the hilt.

The petitioners oppose the goods and services tax and call on Parliament to reject this particular legislation.

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I have the honour and privilege to table a petition signed by a number of residents from the provinces of Ontario and Quebec, from Cambridge and La Salle, Quebec, from Toronto, Sarnia, Kitchener, London, Wyoming and Guelph, Ontario.

The petitioners humbly pray and call upon Parliament to maintain, improve, and modernize VIA Rail service in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound, and energy efficient alternative to other means of transportation.

• (1120)

PROPOSED GOODS AND SERVICES TAX

Mr. John Harvard (Winnipeg—St. James): Madam Speaker, I too have the pleasure and the honour of presenting a petition. It relates to the goods and services tax and has been certified correct as to content and form by the clerk of petitions. There are approximately 40 signatures on this petition. The signatories point out in the petition that the GST will be an unfair burden on ordinary Canadians, and that the 9 per cent tax is unfair. They humbly pray and call upon Parliament to reject the so-called GST.

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—PROPOSED GOODS AND SERVICES TAX

Mr. Lorne Nystrom (Yorkton—Melville) moved:

That this House advise the government to scrap the proposed goods and services tax and implement a tax system which is based on the ability to pay and which includes:

1) a minimum corporate tax on profitable corporations;

2) taxation of capital gains income, with the exception of farmland sold for agricultural purposes, small businesses and principal residences;

3) the restoration of an inheritance tax on wealthy estates;

4) effectively progressive income tax; and

5) tax provisions which encourage environmentally sound practices.

He said: Madam Speaker, I rise today to ask the House to reject this proposal in the technical paper on the goods and services tax. We speak directly to the people of Canada, asking them to band together to organize to fight against the Conservative Party in an effort to stop the tax.

I have been across the country recently and I have seen an interesting coalition of people ranging from the trade union movement in this country, many farm organizations, chambers of commerce, John Bulloch and many ordinary Canadians and small business people who are all saying loudly and clearly that enough is enough, the tax should be stopped, and the Conservatives should withdraw their proposition from the House.

[*Translation*]

Madam Speaker, with the GST, there will be a 9 per cent tax on everything in this country: hairdressing, movies, pizzas and funerals. Canadians will have to pay a 9 per cent tax on just about anything.

Madam Speaker, it is high time we said: enough is enough. We have to stop this tax! "Mr. Prime Minister, you lied to us!"

[*English*]

We can do this if the people of this country stand together as one and say no. If we do not watch out in this country, we are soon going to have the taxes of Sweden and the services of Margaret Thatcher's Britain. That is what this debate is all about.

Who is going to pay? It is going to be the poor people, the ordinary workers, and middle income Canadians, particularly those with a number of children, who will pay. It will be the women who will be the hardest hit in the country. It will be the seniors, along with the women, who will be the hardest hit as well.

About four years ago in Canada there was a great debate over deindexing old age pensions. The seniors of this country got together, they rallied Canadian after Canadian, and they forced a majority government to come to its senses within a few short weeks. I can remember very well in the lobby of the House of Commons one day back in July of 1985, when a woman, Madam Denis said to the Prime Minister: "*Monsieur le premier ministre, vous nous avez menti*!" "You have lied to us!" That magical moment went across this country on the television screens in French and English. Within a few short days the government across the way came to its senses and withdrew the bill to de-index old age pensions. If we could do it back in 1985 we are going to do it again in 1990 or 1989 in terms of withdrawing the goods and services tax.

Now we go across the country and talk to trade unionists, chambers of commerce, and all kinds of small business organizations. We have seen people holding rallies. My colleague for Edmonton East was at a rally in Edmonton a few days ago of 1,500 to 1,600 people with all political stripes represented and there people were saying: "Scrap the tax. We are not going to pay a tax like this. It is unfair." In Red Deer, Alberta, just two days ago, 3,000 people in the heartland of Tory Canada came out and said "no" to the Prime Minister and "no" to the Minister of Finance.

This tax is part of the Tory agenda to change our country forever. First, we had free trade, then deregulation, then privatization, and now with this tax move we have phase two, in my opinion, of free trade. We have a tax system now that will make up for the loss in tariff revenues, and we have a tax system now that is going to reduce the burden on big corporations so they are more competitive with the corporations in the United States. It is part of the Tory agenda and the people of this country should make no mistake about it.

Since 1984 we have seen a tremendous shift in the tax burden away from big business in this country to the ordinary people. In fact, corporate taxes have dropped by about 21 per cent, while taxes on individuals have skyrocketed since the first Tory budgets back in 1984 and 1985. This move before the country today, which is rallying people of all political stripes in opposition to it, represents the single biggest tax grab in the history of Canada.

Even the Department of Finance is estimating $24 billion, and that estimate is very conservative. It is going to be more like $27 billion, $28 billion, or $29 billion by the time the bureaucrats of the Minister of Finance get finished with it. It is a big tax grab.

Secondly, it is regressive. It is going to hit the poor very hard. We have all kinds of statistics about the poor. Across the way the government is not even going to index the tax credits fully to the cost of inflation. In fact, they only get the increase in the cost of living over 3 per cent. So every year the poor in this country will fall further and further behind. The thresholds are too low. For an individual person in poverty, that individual person if he or she makes $15,000 a year will pay more under the GST than under the present system in spite of the tax credit that is in this legislation. I think that is a shameful disgrace in modern day Canada, a country that is abundant with wealth and technology and people to make it happen and make it work.

It is a tax grab. It is regressive. It is a tremendous transfer in principle of billions of dollars of taxation revenue from big business, from the big corporations in this country to the ordinary people. Because under this legislation, under the technical paper for the GST, business can write off all expenses. It is called a churning process. When they buy machinery and equipment they can write off all the expenses through what is called a tax credit or an input tax credit. They write it off at the manufacturing level, at the wholesale level, at the retail level. They keep writing it off, and writing it off until the ordinary citizen arrives to buy a refrigerator or a stove and the ordinary citizen is then going to have to pay the entire tax bill.

That is a tremendous shift away from progressive taxation in this country, a shift from the large corporations and from the wealthy in Canada to loading the tax on the ordinary citizen. That is why thousands of people are turning out at rallies, and that is why people are sending petitions to the House of Commons.

We will be the only country in the world with a two-tier tax system, with the federal state having one tax and the provinces or the member states having another tax. The provinces have said no.

• (1130)

I had the opportunity last week to talk with Dick Johnston, the Treasurer of Alberta, who is the treasurer most committed to stopping the tax.

We get laughs across the way from one of the ministers. I say to the minister across the way that he has not been at our committee. He has not seen the Retail Council of Canada, whose president is the president of Loblaws, come before our committee and say that a two-tier tax system and the complexities we have will add an extra $2 billion per year in administrative costs for retailers alone. That too will be passed on to the ordinary citizens of this country.

John Bulloch who is no flaming socialist or Marxist, on behalf of the Canadian Federation of Independent Business in this country, is saying that this tax must be stopped. He is saying it is a nightmare, it is complex, it is full of red tape, and it will be expensive to the small business people of this country.

I remember a hairdresser in Regina coming to our committee. Her name is Evelyn Armstrong. She said to us that if this tax comes through businesses that are very price sensitive like the hairdressing business in this country will suffer. Many will go bankrupt. People will have fewer haircuts. They will have less expensive haircuts because of the 9 per cent tax. Much of the business will be driven underground as people open up part-time beauty salons and part-time hairdressing shops in their basements or in spare rooms.

This tax is a tax grab. It is regressive. It is a change from big business to the consumer. It is a two-tier system which will cost a lot of money. It is complicated.

We have had witness after witness come to our committee and ask questions that cannot be answered by the Department of Finance. For example, why is a birth control pill not taxable and yet a condom is taxed at 9 per cent?

If you go into a donut shop and eat six donuts with a cup of coffee and read your paper on a Saturday morning, those six donuts are taxable because a donut shop is called a restaurant and you are eating them in the shop. But if one of these big, fat, wealthy Tories across the way who picks up his donuts and eats them at home, they are not taxed because it is called a basic grocery.

Why do we have this complexity in a law that will create all kinds of red tape and bureaucracy for the ordinary citizen and for the small business person?

The tax, despite promises by the minister across the way, will not be visible. It will not be visible to the ordinary person so that he can see what he will pay. These are promises that have been made by the Conservative Party and the Conservative government time and time and time again.

Instead of having a goods and services tax on absolutely everything except basic groceries and prescription goods in this country, our party is arguing that we need alternatives to this system of a consumption tax. We are saying that there are alternatives where the rich people in this country should pay their fair share and where the big corporations in this country should pay their fair share so that we can maintain the services that the ordinary folk of Canada need in order to live a decent standard of living in a wealthy country called Canada.

We can only get that if people band together and say no to the tax, stop this tax, and look seriously at some of the alternatives. I can say to you that it concerns me when I see people like Link Nifield and others in Alberta and different parts of this country organizing a campaign not only to stop the tax but to cut back on spending and services by the Government of Canada.

Sure, there is a lot of waste in the Government of Canada. There is a lot of stupid spending like $800,000 on a government ad to promote a tax that has not even passed. I know that there is a lot of crazy spending going on. We must not get carried away by cutting back on the federal budget by billions and billions of dollars. When ordinary people who depend on their pensions for their livelihood will be the ones who will be affected.

We cannot give credence to the movement that it has already started to end universality on social programs through a clawback of family allowances and a clawback of old age pensions. We cannot give credence to the movement in which there is now a cut-back in Established Programs Financing of 1 per cent for medical care and post-secondary education. That is not the way to go when we have a campaign to stop this tax.

What we must do is stop the tax. We must rally the people of Canada and say no to the GST. We must say no to this tax that will hurt the ordinary people, the women, the children and the seniors of Canada and at the same time use our resources to make sure we have better social programs and jobs for every single Canadian and opportunities in the future for the people of Canada.

We should consider a series of alternatives by which we can get some money to create more wealth in this country, and we suggested that in our motion today.

One of our recommendations is a minimum corporate tax, something so radical that even Ronald Reagan introduced it into the United States a few years ago. A minimum corporate tax would raise at least $1 billion per year in this country which could be spent on creating jobs, on research and development, and on better pensions for the seniors of Canada.

We should also have a capital gains tax to raise a lot more money than we are raising, with the exemption of course for the family farm, the small business and the individual residence that a person has. But outside that, why should capital gains not be taxed in the same way as another dollar or another buck is taxed in Canada? If we did that we would have hundreds of millions of dollars per year more to spend on programs to reduce the discriminatory sales taxes that we already have, which penalize ordinary people from one part of Canada to the other.

Another way of reforming our tax system is to reduce the tax expenditures now which go out to the wealthy and the big corporations in Canada. We have had study after study and economist after economist who have said that there is negligible benefit, if any benefit at all, from many of these tax expenditures that we are now seeing.

Fourth, we must once again increase the marginal tax rates on the rich in Canada. It does not make any sense that under the last phase of tax reform that the tax rate for the wealthiest Canadians was reduced from 34 per cent to 29 per cent. Someone making $100,000 will be paying a maximum tax to the federal government of 29 per cent, but someone making $1 million is still going to be paying 29 per cent to the federal government.

That is not a tax system based on the ability to pay. That is not a tax system that is progressive. That is a tax system that is regressive. The ordinary citizen who is struggling out there at a minimum wage or a single parent family with a couple of kids should know that under the Conservative party they are going to be paying more and more and more for movies, pizza, McDonald burgers which they are picking up at McDonald's, while rich Canadians are going to be paying less and less because the Conservative party has lowered their taxes through lowering the marginal tax rate.

I suggest we go back to what we had in this country before, more tax rates and much higher marginal tax rates for the wealthy. Instead of 29 per cent let us go back to at least 34 per cent, and my personal preference would be much higher than that for the extremely wealthy in this country.

Why do we not look at a wealth tax? In Canada today the top 20 per cent of our people own 69 per cent of the wealth and the bottom 40 per cent of Canada has only 2 per cent of the wealth. We are one of only a couple of countries in the OECD that does not have a wealth tax at all. It is the ordinary worker and the farmer who is doing the work and creating the wealth in this country, and it is the rich who are getting richer and it is the rich who are not paying.

In Canada the Bronfman family alone controls or owns some 459 corporations in our country; the Irving family, 138 corporations; and the Weston family, 117 corporations. Poor old Peter Pocklington is one of the poorest big guys in Canada and yet when he gets into trouble every government, particularly Don Getty and Lougheed, will bail him out. He is a big welfare case. Yet, we do not have a wealth tax. We do not have a wealth tax, but we spend all kinds of money from the federal government year after year subsidizing the Pocklingtons and the Westons and the Irvings and corporation after corporation. They make their millions and there is no wealth tax.

What will be the consequences of this tax deal? Madam Speaker, if you had come to our committee about two weeks ago you would have noticed that the Conference Board said to us that in the first three or four years under the GST corporate profits in Canada will be increasing by $10 billion and disposable income going down by $17 billion.

• (1140)

Yet, the Minister of Fiance and his bureaucrats in their ivory towers in Ottawa say: "Well, there is only going to be an increase in inflation of 2–1/4 per cent, and it will only be 2–1/2 per cent because the workers in this country will restrain themselves. They will not ask for any increase". Where are they living? The workers of this country are going to have to have a major wage increase to keep up with the increased in the cost of living.

You can look at the Conference Board, Wood Gundy, Informetrica and economist after economist to see that the increase in the cost of in inflation is not going to be 2 per cent. The increase in inflation will be more like 4 per cent or 5 per cent because of the GST. Add that to the regular projection of about 5 per cent or 6 per cent and the increase in inflation will be 10 per cent or 11 per cent in 1991.

How does the Minister of Finance expect the worker to take the brunt of this tremendous government induced inflationary push in 1991? Then, the minister and his naive officials say that the existing manufacturers' sales tax, which will be $18 billion by 1991, will be passed on in its entirety to the people of Canada. Imagine that. The naivety of the Minister of Finance and his officials to say that every single dollar of the $18 billion existing federal sales tax and manufactured sales tax would be passed on.

Have you ever seen a case, Madam Speaker, where there has been a major tax decrease and the money ends up in the pockets of the consumer? If you have, please get up and tell me about it because I have not seen that. The ordinary people of this country have not seen that. When the price of crude oil drops or is dropped by the OPEC countries, we do not see the entire drop at the gas pump in Kamsack, Saskatchewan or Chicoutimi, Quebec.

[*Translation*]

No, Madam Speaker, the GST is not a progressive tax for Canadians, definitely not. The GST is a very regressive tax. The GST is a tax that will collect a lot of money from Canadians across Canada, about 24, 26, 27 or 28 billion dollars worth. It is now time for Canadians to say "No"in this Chamber, to this Prime Minister, this Minister of Finance and this Government.

[*English*]

If we get together as Canadians, if we listen to the people of Canada, we can say to the government that enough is enough, scrap the tax, bring in a new system that is progressive, where the rich will pay, where the corporations will pay, where the friends of the Tories will pay. Madam Speaker, they are not listening to the ordinary people of Canada. If they cease to listen, then in the next election campaign they will never again sit on the government side of the House.

Mr. Mifflin: Madam Speaker, I listened with great interest to the hon. member's presentation, advocations and admonitions on the goods and services tax. I must say I agreed with a lot of what he had to say. There were certain elements that I would certainly like to hear a little more about.

I was struck by some of the alternatives that he suggested in his point program. One particular point I would like the hon. member to amplify on is his concern about the level of taxation on big business and corporations. I wonder if he could just amplify his view on the gap between the corporate tax rate in Canada and the United States and what effect that has on where business is going to be, particularly with respect to the goods and services tax and the ambience that has created. Also, will he give us his views but particularly recommendations that he may have on taxing big business?

Mr. Nystrom: Madam Speaker, I think if he looks back at the changes in tax in this country, my friend, who is a fairly new member of the House of Commons, will realize that it was a previous Liberal government that started this change of reducing the tax load on corporations in Canada, reducing the tax load on wealthy people in this country.

I remember finance ministers like Mr. Benson and Mr. MacEachen, and a certain gentleman named Jean Chrétien whom I am sure you have forgotten, and another fellow who is now Leader of the Opposition. I can remember all these people bringing in tax measures that gradually let the tax load of the corporations go down, down, down. That is one reason why the Liberal Party in this country almost disappeared in 1984. They became known as the party of the rich, the party of the wealthy, and the party of big business in Canada.

I know that even my friends like the Liberal Whip were so embarrassed in those days that he was even more red in the face than he is today, seeing how right wing his party has become. I know he has done a little bit to try to remedy that, but I remind him that a Liberal in opposition is much more progressive than a Liberal in government. They are like a leopard, they tend to change their spots.

What we need in this country is a truly progressive tax system based on the ability to pay. What we need in this country is to make sure that the rich pay their fair share and that the corporations pay their fair share.

What we need, instead of a massive consumer tax on ordinary Canadians, is a progressive tax. I have mentioned a wealth tax as a possibility. Another possibility is a merger tax when you have corporate mergers in Canada. Another possibility is increasing the corporate tax rate in Canada. Another thing that I have mentioned, which Reagan did in the United States, which is surely not a radical proposition, is the minimum corporate tax on profitable corporations. Another possibility is ending some of the write-offs for excess interest that corporations can claim and some of the dividend tax credits that wealthy people in this country can claim. There are many, many things we can look at in terms of reforming the tax system.

I hear a voice across the way from the Winnipeg Chamber of Commerce. The voice across the way must know that the national Chamber of Commerce of Canada, at its convention in St. John's three weeks ago, said no to the GST.

Mrs. Dobbie: No they didn't.

Mr. Nystrom: Said no to this proposition by the Minister of Finance and they were responding to their grassroot Chamber of Commerce across Canada.

They responded because the ordinary small business person is saying that this proposition is too complicated and that this proposition will hurt small business. It will help the big company. It will help the manufacturer. It will put the small person out of business.

They were also saying to the Chamber of Commerce leadership at that convention that they do not want to be the tax collectors on behalf of the Government of Canada. I suspect also that they too, like a lot of us, do not look forward to about 6,000 or 7,000 more bureaucrats being hired as tax collectors. So I say to the voice of the Chamber of Commerce in Winnipeg that now sits in disguise as a Tory MP in the back benches that she should listen to her former organization and perhaps she would be a bit educated about the damage that GST is going to cause Canada as it turns us into a major recession.

Mr. Walker: Madam Speaker, I was interested in listening to the member. It is always interesting how the NDP can take a reasonable proposition such as tax reform and turn it into a rant and rave and turn every Canadian against the very possibility of having any reform.

Since the hon. member has turned into a political historian, perhaps the whole House should engage in a little bit of a history lesson. Those of us who are from the west are very familiar with the history of the NDP governments in Manitoba, Saskatchewan and British Columbia. Each, in turn, marked the bankruptcy of a provincial government. They come to the national House hoping that nobody reads a paper in Saskatchewan, nobody reads a paper in Winnipeg, nobody reads a paper in Vancouver and Victoria, and that Canadians do not realize that these are the very people who tried to bankrupt them.

They talk in great terms about the working people. What did they do with the working people in Winnipeg, the working people in Regina, the working people in British Columbia? They increased their taxes year after year after year.

They talk about Mr. Benson. Well let us talk about the governments of Barrett. Let us talk about the governments of Shchreyer. Look what happened to Howard Pawley. Some of the great defeats in Canadian political history have been the defeats of provincial NDP governments on this very tax issue. This is the same party. I would like the hon. member to respond. He has the gift of the gab in the national House, but he refuses to accept the responsibility for what his provincial counterparts have been doing for the last three decades.

• (1150)

Mr. Nystrom: Madam Speaker, let us continue the history lesson on western Canada and social democracy. In Saskatchewan, the CCF, under the leadership of Tommy Douglas, took over office in 1944 and stayed there until 1964. During 20 years of government in Saskatchewan there was not a single budgetary deficit in the history of that political party with that Premier. That continued with Woodrow Lloyd as Premier during three of those last years.

I know the man from Winnipeg North Centre does not know anything about history. He is not a student of history. In 1971 Allan Blakeney was the elected Premier of Saskatchewan and he stayed there for 11 years. Every one of those 11 years saw either a budgetary surplus or a balanced budget in the province of Saskatchewan. That is not bad for a social democratic party that led the way. It was a social laboratory in this country in terms of social programs and later on, in the Blakeney years, economic programs through the mixed economy, the potash corporation, and the co-operative movement.

On my left sits a former Minister of Finance from British Columbia. When the present member for Esquimalt—Juan de Fuca was Premier of British Columbia he brought in three or four budgets and every single one of those budgets was not only a balanced budget but a budgetary surplus.

I do not want to embarrass the member for Winnipeg North Centre by going closer to home, but I remember Ed Schreyer very well. I think in the Schreyer years four out of four were balanced budgets in Manitoba. Were they not four out of four in the Schreyer years?

An hon. Member: Yes.

Mr. Nystrom: I understand my friend from Winnipeg North Centre knows nothing about history. He is not an historian. He has never done much reading in terms of the background of western Canadian politics, but he did not know that. I think the record of New Democratic Party governments in the west speaks for itself. They are fiscally very responsible, they have done very well. They have brought in new social programs.

Quite to the contrary, what has happened to the Liberal Party? Every single progressive measure in Canada brought in by the Liberal Party was brought in because they were being pushed and pulled by the CCF, by Woodsworth, Knowles, Douglas, and Lewis, and my friend from Ottawa—Vanier knows that. He knows that. That is why his face now is as red as his Liberal tie.

[*Translation*]

Mr. John Manley (Ottawa South): Madam Speaker, I welcome the opportunity to speak this morning on the subject of tax reform, in connection with the motion moved by the New Democratic Party.

[*English*]

If there is a good and useful consequence of the proposal to introduce a goods and services tax in Canada, I believe that it may be that it will raise in Canada the realization that the time is now overdue for real tax reform on a broad and general basis in this country.

It is more than 25 years now since the appointment of the last Royal Commission on Taxation, headed by Kenneth Carter. It is many years since the results of that Carter Commission report were enacted into the 1971 tax reforms, and things have changed monumentally since those days. The needs of governments, the involvement of governments at all levels in our economy and in our affairs as a people have changed. The complexity of the modern world has increased significantly. The complexity of our underlying tax system has increased apace.

As somebody who has spent a lot of time before coming into this place working with the tax laws, I have been concerned about that for a while. I drew out this morning my most recent edition of the Income Tax Act. I can still lift it. It is about 1,500 pages long. You cannot travel with it on an aircraft in Canada because it will not fit under the seat in front of you. If we have ever reached the point when it was time for us to stand back and take a look at the tax system that exists to see where we are going as a nation, now is the time.

fit under the seat in front of you. If we have ever reached the point when it was time for us to stand back and take a look at the tax system that exists to see where we are going as a nation, now is the time.

What we need to do in Canada is to recognize that after all of the rhetoric, after all of the changes, after all of the shifts from income tax to consumption tax, from corporate tax to personal tax, to goods and services taxes, from manufacturing taxes, after all that there is one taxpayer in Canada. It is the same taxpayer who pays his municipal taxes, who pays his municipal water rates. That is the one who pays provincial taxes and that is the one who pays federal taxes.

Unless we can get together as a country and look at the compounding problems of federal, provincial, municipal taxes, we will never sort ourselves out of this mess. The power to tax is the power to destroy. I believe that the latest measures brought forward by the government opposite have a great deal of potential for destruction of our economic well-being.

Last week in Vancouver the mayor came to speak to the finance committee studying the GST. He brought this point forward. There is one taxpayer. The municipal taxpayer in Vancouver is the same individual who is being called upon to pay the goods and services tax.

In Alberta, the treasurer spoke to us at length about the need for provincial tax points that were being eroded by the goods and services tax. The need for reform, surely, is obvious to all of us, not just in terms of the complexity that arises out of the volume that we need to go through in order to understand the current income tax system, but in terms of the normal objectives of a tax system: equity, fairness, economic efficiency, and, in Canada, some special concerns.

There are the stresses on nationhood, the stresses that arise from the need for the regions to be able to realize their objectives within the context of this country. Stresses are felt in the west, stresses are felt in Atlantic Canada, and especially in the north. We look at what is happening with what the government opposite calls tax reform and we see that those stresses are going to become more acute in the years to follow.

Then we have the environmental imperative. There is a need in whatever measure we undertake in this country to understand the direct and indirect consequences for environmental well-being that is the overriding preoccupation of all of our people.

What we have had over the last five years is not tax reform, even though the proposals have been packaged in a document that said all over the outside of it "Tax Reform" *la réforme fiscale*. What we have had is ongoing ad hockery. We have had a willingness to look for each and every way possible to increase government revenues, to grab money out of the pockets of the Canadian taxpayers.

That is not tax reform, that is a tax grab. What has happened to overall government revenues over the last four or five years? They have increased by more than $40 billion and yet the deficit remains at the level of $30 billion. This is in spite of the fact that for the last seven years, beginning in 1982, the western world has had an unprecedented period of economic growth and prosperity that the government should have been benefiting from. Instead, it has doubled the national debt. Instead, it has reached into the Canadian taxpayers' pockets and torn out more than $40 billion more than it ever took before. Instead, it has shifted the burden of government service downstream more and more onto the provinces and the municipalities of this country. It has allowed the Canadian infrastructures that are so important to our existence as a nation to erode and deteriorate.

The latest example is VIA Rail.

• (1200)

Meanwhile, the Trans-Canada Highway is in a state of disrepair and the rivers are polluted, and it is called it tax reform. What about the consultative process? We had a consultation is what they will say. We had the Standing Committee on Finance study tax reform, Phase I and now it is studying Phase II under the amiable chairmanship of the member for Mississauga South, that great promoter of grade five education.

What did they study under Phase I? They studied a package called reforms which consisted of lowering the rates, broadening the base, removing some exemptions and simplifying the structure by reducing the number of tax brackets. Simplification? Well, we talked about that before the election but really it is not as important as overall reform, they said.

The act is much wider, much broader and much heavier than it was before 1984 as we come out of the first phase of Tory tax reform. It is much more complicated. In fact the last enactment that simplified income tax at all was brought in by Finance Minister Lalonde when he simplified the rules for small business taxation. There is no overall consultative process, no study of alternative policies. There is no look at where we are going as a country or at the overlap between federal and provincial tax burdens. No, we reduced the number of brackets from ten to three.

I guess that simplified it for some opposite. Frankly, most Canadians never found it all that difficult to go to the back of their guide and work out their rate. Have they made it more fair? What we have discovered in looking at the effects of net tax increases over the years since 1984, according to the Canadian Council on Social Development, is that there has been a significant shift in the burden of taxation in this country and that burden is now being borne by families. Since 1984 the Canadian family with a poverty line income has experienced an increase in taxes of 61 per cent. That is where the burden is being borne. For the average income family, it is 29 per cent and for the upper income family, 7 per cent.

When you look at what has happened to the Canadian tax system overall since 1984, you discover that in spite of all the pro-family rhetoric we sometimes hear across the way, the real way in which it could be helping families in Canada is ignored by the Conservative government. It does not care about families.

Then there is the essential dishonesty of its approach to tax reform. What kind of system is it, what kind of government is it that comes forward before an election and says that it is lowering taxes, that you will get bigger refunds on July 1, 1988, just in time for the November election? A few months later, after the election is safely out of the way, it increased taxes.

They talk about two phases of tax reform. Phase I will lower taxes and Phase II, which is revenue neutral, will fix up the manufacturers' sales tax, that old chestnut that needs to be repaired. What happens? After the election is over and after they are safely in office, we find that the reform of the manufacturers' sales tax is a poorly disguised tax grab.

Then we have the elimination of universality, those social programs that were a sacred trust. The government said it would never touch them. People who bought and paid for old age securities in the years before 1971 were assured by the House of Commons in debate when tax reform went through in 1971 that they would continue to be entitled to universal old age security. It is gone with a stroke of the pen. Who cares about them? They are old anyway.

I want to talk a little about the goods and services tax. This tax is the single most significant change to the Canadian tax system since the introduction of the income tax in 1917. This is not a temporary measure. This is a measure that will bring with it an incredible federal bureaucracy, thousands and thousands of tax police across Canada hired to enforce it, a paper burden on small business. In short, it is a burden that will be borne by all Canadians for the rest of their lives. There will be no way out of this tax once it is implemented.

What is it? What does it represent? We know first of all that it is a tax grab. We know that the minister's promises before the election of revenue neutrality were nothing more than words. They were nothing more than pre-election rhetoric. They were simply false. According to the Department of Finance, we may raise $24 billion and some out of this tax, $24 billion compared to the $18 billion that is being raised by the manufacturers' sales tax after this government increased it by 50 per cent from 9 per cent to 13.5 per cent in its five years in office.

The $24 billion is a low estimate. Some of the estimates are as high as $30 billion. If the experience of New Zealand which the government likes to recommend to us is any indication, $30 billion might be a low estimate.

This new tax is a shift in the tax burden. It is a shift from big business to small business, it is a shift from central Canada to the regions, it is a shift from corporations to consumers, it is a shift from manufacturers to services. The government will deny this. It says:"the manufacturers' sales tax, you do not think that just because we collect it from the corporations that they end up paying it, do you? No, no, corporations pass that on, after all its the people who buy their products who pay the tax". That is nice in economic theory, but it makes one wonder why the Conference Board of Canada went through its projections on what would happen when the implementation of the GST was completed to corporate income.

The gross domestic product in Canada is actually declining in the first year, 1991, and very marginally increasing in subsequent years according to the Conference Board of Canada. Corporate profits increase in 1991 by $.6 billion, in 1992 by $4.9 billion, and in 1993 by $3.9 billion. I ask you, how does that happen? That is by how much the corporate profits are going to increase after the implementation of this tax.

There is only one of two explanations. Since we have seen from the same projections that the economy is not particularly growing, certainly not growing at that rate, where is the additional corporate profit coming from? What it means is that the manufacturers' sales tax was either not being passed on but was being eaten by the manufacturers to some extent, in other words being borne by the shareholders—and we might wonder what the nationality of those shareholders is—or the other explanation is that the corporations will simply not pass on the 13.5 per cent savings when they realize them at the elimination of the MST. That would not be inconsistent with what happened in 1978 when the Minister of Finance, Jean Chrétien, reduced the manufacturer's sales tax from 12 to 9 per cent.

What else is the GST? It is a deluge of complexity. John Bulloch of the Canadian Federation of Independent Business told us that it is going to be a nightmare on Main Street. We will be the only country in the world with a fully integrated, consumer level, two-tiered sales tax with different exemptions, different rates and different complexities. Every mother and father store owner across Canada, every retailer, every restaurateur and every service, unless they are generating revenues of less than $30,000 a year, is going to have to figure out how to collect it, how to pay it, how to differentiate it from the retail sales tax. It is a mess.

Anyone who brings in New Zealand as an example of how the thing might work is just out of their minds. New Zealand is a unitary state with no provincial or state governments. There is no complexity there. It is a state in which internal transportation costs are of no consequence. There is no basis of comparison there.

• (1210)

The Retail Council of Canada called this new tax an unspeakable act of self-mutilation. These are the Tories' friends. Imagine having friends like that, Madam Speaker. Then there is the regressive nature of the tax. It is regressive. They say regressivity can be addressed with the refundable tax credit mechanism. That is the solution for all of it. All you have to do is file an income tax return and you will get four quarterly payments a year, making the tax progressive. We will find all those poor people, the illiterate people, the people who are out of sight and who are not on anybody's computer, and we will say: "Here is your T-1, please complete it and file it, and the government will send you a cheque." Thank you for progressivity, Mr. Wilson.

What about food? We have heard before the committee again and again, and we have heard statements by the chairman and the vice chairman of the finance committee, that it would be a good idea to broaden the base by taxing basic groceries. That would make things so much simpler, they say, and then we can lower the rate.

The food retailers told us that they were not worried about the complexity of having basic groceries exempt, that they are used to doing that under the retail sales tax systems in nine provinces, that it is no big problem. But the effect of taxing food on regressivity is very significant because it is clear that low-income people spend a much higher proportion of their incomes on food, on basic groceries, than do other Canadians, especially upper and middle-income Canadians.

Although the government seems incapable of finding a solution to the fact that there is no luxury tax, it is saying there are anomalies here, for instance, caviar will be exempt, and cartons of milk from McDonald's will not be. Surely those can be addressed with a little bit of ingenuity. There must be a good rationale for this magnificent tax, there must be one somewhere.

The government says the exporters need it. Well, those raving socialists at the Fraser Institute told us last week that the exporters do not need it. They are already getting government support and subsidies of 1 per cent, which is equal to the component of the manufacturers' sales tax contained in their exports. So it is a complete opposite.

The government says that the manufacturers need it for domestic consumption. Surely the best minds in Canada can find some way to solve any problems that are arising from domestic consumption with respect to the manufacturers' sales tax. The real problem that our manufacturers and exporters face is the consequences of the government's monetary policy, the high interest rates, 4 per cent above the U.S. rate.

What I am suggesting today is that what we need in Canada is a full review of the tax system. I agree with the essence of the New Democratic Party motion that the goods and services tax should not be proceeded with, but I do not agree with its suggestion that we can patch up the tax system with a series of minor amendments. Therefore, I would like to move, seconded by the hon. member for Ottawa—Vanier, the following amendment to the motion which is before you today, Madam Speaker, that will propose an over-all review of our tax systems in Canada.

I move:

> That all of the words in the motion following "goods and services tax" be deleted and the following substituted therefor:
>
> and after full and thorough consultation with Canadians and in full co-operation with the provinces to bring about the reform of taxation in Canada, including personal and corporate income taxes and other taxes based upon the following principles:
>
> (1) fairness;
>
> (2) simplicity;
>
> (3) the ability to pay; and
>
> (4) consistency with the environmental imperative of sustainable development.

SPEAKER'S RULING

The Acting Speaker (Mrs. Champagne): The Hon. Member for Ottawa South was kind enough to send a copy of his amendment to the Chair prior to taking the floor in debate, so I have had a chance to examine the procedural acceptability of the motion.

[*Translation*]

I first want to thank the Hon. Member for his co-operation, which I greatly appreciate.

[*English*]

However, I have doubts about the acceptability of this amendment. I will refer the hon. member and everyone in the House to citation 482 of Beauchesne's which reads as follows:

> On an allotted day, during consideration of the business of Supply, an amendment must not provide the basis for an entirely different debate than that proposed in the original motion.

In my opinion, the amendment proposed by the hon. member for Ottawa South does this. It takes away what is on the table today and brings a new suggestion.

I could also refer the hon. member to a ruling by Speaker Lamoureux in his *Decisions* page 322. We are faced with a situation similar to this. Speaker Lamoureux said:

> The proposed amendment does more than qualify or amend the main motion; it seeks to provide a basis for an entirely different debate. Furthermore, when the opposition parties agree on the choice of subject for an allotted day, "the spirit of fair play would require that the day not be taken away by means of an amendment". The Standing Order requiring notice would be pointless if, after notice had been given, the motion were amended to make possible the consideration of an entirely new facet of the question.

Thus, with respect, I must rule the amendment out of order and not permissible at this time.

ALLOTTED DAY, S. O. 81—PROPOSED GOODS AND SERVICES TAX

The Acting Speaker (Mrs. Champagne): Questions or comments.

Mr. Riis: Madam Speaker, I listened with interest to my hon. colleague's presentation and I found again, as usual, that he raises some very appropriate points in terms of opposition to the general sales tax.

I have one question for him. He will recall that in our motion we suggested that one source of revenue would be an inheritance tax, recognizing of course that of the western industrialized nations all but two have such a tax. We in Canada had such a tax until in the early 1970s the Liberal government decided to do away with it so that if you inherited an incredibly wealthy estate there would be no tax on it. We are one of the two countries in the western world not to have an inheritance tax.

I wonder if the hon. member could explain why the Liberal Party thought that was an appropriate amendment to the tax act, to remove an inheritance tax from our system.

Mr. Manley: Madam Speaker, first of all, it is time, as I said in my speech, for us to review all taxation in Canada. I think that in order to do that reasonably a full consultative process across the system would include a review of wealth or inheritance taxes as part of the possible solution to the increasing demands that there are for government revenue. I do not think that can be discarded.

In specific answer to the question raised, what happened with tax reform in 1971 was two things. First, there was the introduction of the capital gains tax to the system which was intended to and which, until the Tories began tinkering with it a few years ago, did result to some extent in a realization of taxation on wealth at the time that a person died through the deemed realization on death of assets.

The other thing that happened in 1971 when the federal government abandoned the estate tax was that it was really given over to the provinces, many of which continued to have estate or succession duties for quite a few years after 1971. Ontario continued until 1979 to have a succession duty which is a wealth tax on death.

• (1220)

There are many problems with the capital gains tax. The first thing this government did in that memorable budget that the Minister of Finance presented in May 1985, in which it also attempted to deindex old age pensions, was to introduce a $500,000 capital gains exemption. The government said it was in order to stimulate economic activity, to reward risk taking.

With respect, the investment of money in real estate in Florida, which was equally exempt when there are gains realized, does not stimulate economic activity in Canada. Its total inability to be able to target a capital gains exemption so that it achieved the economic goals that it claimed it should have was demonstrated by that budgetary measure.

The government has not fully backed away from that measure yet. The move to 75 per cent inclusion is a good one in that direction, but overall it has failed in analysing the needs of the revenue with respect to the capital gains tax. The government has never gone back to the principles established by Carter and asked itself how it could make the system work better and more fairly.

I certainly think that wealth taxes and inheritance taxes need to go back under consideration by all of us. But really what underlies the needs of the Canadian tax system is a system of consultation and overall reform so that everybody feels that we have come out of this with a better and fairer tax system.

Ms. Greene: Madam Speaker, it is my understanding that the member's party, as well as the New Democratic Party, endorsed the findings of an all-party parliamentary committee which recommended that we remove the manufacturers' sales tax and that a value added tax on the broadest base possible be established.

I am just wondering how the member can be so inconsistent with the previous recommendations of his party, and how he can now at this point in time—years after tax reform has been well established and gone through a proper process, and the manufacturers' sales tax has been examined—basically urge Parliament to start all over again.

Mr. Manley: Madam Speaker, I might say that I am delighted at the question. The inconsistency in this is not on this side of the House at all. The inconsistency is over there. It was over there that there was proposed to be a replacement of the manufacturers' sales tax by a one-tiered tax across Canada, by a visible tax across Canada, by a tax that was going to be revenue neutral, by a tax that was going to be fair to low-income Canadians, by a tax that was going to benefit middle-income Canadians. None of those promises have been met, none of them.

The point about New Zealand is the key one, and this is the point that was raised again and again by the Tories' friends when they came to the finance committee. The chambers of commerce said withdraw this tax, it cannot work in a two-tiered system. The Canadian Federation of Independent Business said it is a nightmare on Main Street, withdraw it. Even the Fraser Institute said it is not visible, withdraw it. And the government thinks that we are inconsistent.

Mr. Harvard: Madam Speaker, I want to thank my colleague from Ottawa South for an excellent presentation. I agree that we need tax reform and tax review in this country. What we do not need, for example, is that silly history lesson that we got from the hon. member for Yorkton—Melville a few minutes ago. I would have to give it a failing grade immediately.

I have seen the enemy and the enemy is over there, it is among that crowd. The enemy is not Walter Gordon, God bless his soul. The enemy is not Edgar Benson, and the enemy is not Jean Chrétien or John Turner. The enemy is over there, and the enemy is very apparent. We can see him.

We are in a mess in this country. In the past five years the Tories have increased taxes 31 times. What have we got for it? The loss of VIA Rail, some result. Spending is up $42 billion, and what do we get for it? A decimation of UIC, some result. We have borrowed more in this country than ever before, and what have we got? Closure of post offices from one coast to another. We have got free trade which was supposed to do wonders for the economy, and what have we got? A loss of jobs and plant closures. We get tax reform, and what do we get out of that? Just a whopping tax grab called the GST.

I see a pattern here. I see a program that was started five years ago. It all comes together. We are spending more, the government is taking more, and we, 26 million Canadians, are getting less. Do you see a pattern?

Mr. Manley: Madam Speaker, I thank the member for the question. There is a distinct pattern. My friend opposite talked about it as being fiscal responsibility. I beg to differ. What has happened over the last four years is the greatest example of fiscal incompetence that we have had in the history of Canada. We have seen the total tax revenue of the Government of Canada go from some $70 billion or $71 billion in 1984–85 to, in the current fiscal year, $112.4 billion. We expect, based on the projections of the recent budget, that by 1991–92 that is going to be up to $138 billion.

What has really happened here is that the government has, by pursuit of high interest policies, by failure to curb its own wastes and excess in so many ways—the most recent good example being the incredible waste on advertising about a tax that has not been approved by the Parliament of Canada—carried out the greatest tax grab in the history of Canada while at the same time permitting the federal debt to double in four years, half of the national debt of Canada in one term of one government.

What else can they do except to look for newer and better ways to gouge Canadians? The result, of course, is that we are bearing a heavier burden of tax, both at the personal income level and at the sales and excise level, whereas we have seen the continual decrease in the level of taxes borne by corporations. As I pointed out earlier that means that it is the shareholders, whatever nationality they may be, who are benefiting, the consumers and taxpayers of Canada who are paying the bills.

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Madam Speaker, I welcome the opportunity to speak to the motion today. It will give the government an opportunity to discuss, as we want to have the broadest debate possible on the taxation system in this country.

Before I begin my formal remarks though, I cannot help but make comment on the two speeches that we have heard so far today, which were full of criticism, full of "scrap this and scrap that", so on and so forth, but with very little alternative. I am going to discuss some of the alternatives that the New Democratic Party has in its motion and I am going to pay particular attention to the Liberal solution to the tax situation in this country of having another royal commission, another study. They did that in 1971, as I remember. We saw what transpired from there and there has been some criticism of what has happened from that tax reform today in the House.

I might say to the hon. member that in all fairness—and I am sure he was not misleading the House with his figures—income has in fact increased to the Government of Canada by some $40 billion. I think that is what he said. One of the things he did not point out, and I think in all fairness he should have, was that only 20 per cent of that increase came from tax increases. The other 80 per cent came from the growth of the economy—a million and a half new taxpayers in this country, new jobs that have been created and people paying taxes—and the betterment of our corporations and of small businesses in this country which are paying their taxes as well. He failed to mention that. I think that he should, in his presentation to be fair, have pointed out that a very small portion, one-fifth of that additional income that the government has realized, has come from income tax.

• (1230)

Let us talk about the reforming of Canada's tax system. During the last five years, our government has taken much–needed action to modernize and to improve the fairness of Canada's tax system. It is not done yet, and it is not perfect. I am the first one to admit that. At least this government has taken very positive action. Canada needs a modern tax system in order to meet the challenge of an increasingly competitive global economy.

Today the New Democratic Party said that we should go back to the old ways, that we should leave the manufacturer's sales tax and go back to the old tax reform where we had 10 different levels of taxation. "Let us tax the rich." I remember them campaigning on that once. "Tax the rich." That was the whole theme of their campaign. We know what happened to that.

The NDP think that we in Canada live on this little island and that we do not need to compete in the world, that we do not need to compete with companies in other countries around the world which have tax systems as well. If we tax our corporations out of existence, then they will not be able to compete. We export 35 per cent of what we produce in this country. We have to be able to compete. We cannot tax our corporations out of existence. The NDP would be the first ones to complain about the lay–offs from these plants that had to close down because they could not compete around the world.

We must understand that we are dealing in a global economy. Equally important, Canadians want a tax system that is as equitable as possible. That is what we are attempting to do.

Mr. Riis: Get serious.

Mr. McDermid: I think both parties will admit that I sat very quietly during both presentations.

Mr. Riis: For the first time in history.

Mr. Harvard: Are you not feeling well?

Mr. McDermid: Now the government is giving its presentation and I would like the same courtesy.

Mr. Riis: It's so boring.

Mr. McDermid: If the hon. member for Kamloops wants to sit and heckle all day he can. This is their motion, and he is the only one in the House. He is the only NDP in the House.

Mr. Riis: Madam Speaker, I rise on a point of order. The hon. member is an experienced member of the House. I could say that out of all of the Conservative caucus there is virtually no one here, but that would not be appropriate.

He ought to be aware that referring to the absence or presence of members in the House is unacceptable. I know that he has a memory lapse from time to time but I would encourage him to recall what the traditions and the rules of the House are and abide by them.

The Acting Speaker (Mrs. Champagne): The hon. minister has the floor.

Mr. McDermid: Madam Speaker, I always enjoy the interruptions of the hon. member for Kamloops. He is so well informed. I will not mention that nobody is here but him from the NDP any more. I promise.

The measures that we have taken to reform Canada's tax system are part of a comprehensive long–term economic strategy which was laid out before this House in November of 1984. The strategy has been designed to produce a more competitive economy, sustained economic growth and the creation of productive Canadian jobs. It would be much, much easier for our government to let the subject of tax reform drift as past governments have done. For a government that takes its responsibilities seriously that kind of cop–out was just not acceptable.

Our objective is to have the fairest and most efficient tax system that can be designed. I believe that we have made considerable progress toward achieving that goal. In reforming the personal and corporate income tax system, stage one of tax reform was lowered tax rates. We broadened the tax base to increase efficiency and restore fairness to the system.

Our reform package ensures that higher income individuals and corporations pay their fair share of taxes. It ensures that investment decisions are based on economic merit rather than tax considerations and how to beat the tax man. It ensures that individuals in similar economic circumstances are taxed more equitably. It ensures that lower income Canadians bear a proportionately smaller share of the tax burden than higher income Canadians.

Replacing the current federal sales tax with the goods and services tax is another building block in our over-all plan for sustaining economic growth and prosperity. In this regard, it is essential to recognize how important a country's tax system is in determining the competitiveness of its economy. We need a tax system which will contribute to, not detract from, Canada's natural advantages, one that will encourage competitiveness and job creation.

In terms of the existing sales tax I noticed very carefully today that not one of the opposition members mentioned the existing sales tax, not one of them. Not one of them suggested that it be removed. Not one of them suggested that we need a new sales tax system in this country. All they said was, "Scrap it". They never talked about the existing sales tax, with the exception of my hon. friend from Ottawa South who bragged about Jean Chrétien who reduced the federal sales tax rate from 12 per cent to 9 per cent just before an election period back some years ago. That is probably the best thing that he did as finance minister, I might say. I do not want to get into a leadership debate today.

When we look at this existing sales tax we see a tax that has not been fair to either Canadian manufacturers or consumers. It has not been conditioned to economic competitiveness and growth. Let us be clear, this tax is not just a source of academic embarrassment to public finance theorists. This tax hurts Canadians. The present tax is hidden. It handicaps the economy. It is very complex to administer. It is a very unreliable generator of revenue. Incredibly, the current hidden federal sales tax puts Canadian manufacturers at a disadvantage to foreign manufacturers, not only on exports but on imports as well. It is narrowly based. It is inequitable. It leads to all sorts of distortions in the market-place.

Seventy-five thousand firms pay this tax, submit it to government. There are 22,000 special arrangements and administrative interpretations—22,000. So it is not fair even to those 75,000 who are submitting the tax today.

In view of the sorry state of this hidden federal sales tax, there is really no choice but to replace it. Yet the system is a major pillar of our tax structure. It contributes more than 17 per cent of the federal government's revenues annually.

Removing the tax and building a replacement is a challenge of major proportions. Nobody is questioning that. I do not think any of the witnesses who have come before the Standing Committee on Finance have minimized the job of replacing this manufacturer's sales tax. One thing that they all say is, "Get rid of it". I do not think that is part of the debate in this country. I think that is a given. Even the opposition parties in a motion presented to this House unanimously from a standing committee said we had to get rid of it.

There are many approaches to the problem, in theory at least. For example, as an alternative to bringing in new sales tax systems some have argued, and the NDP argue this, that the current tax should simply be abolished and the foregone revenues replaced by a corresponding increase in income tax rates. Supporters of this approach argue that this would allow for a fairer tax system overall. There are, however, some powerful economic reasons for avoiding such an increased reliance on income taxation.

Our current tax structure relies on three pillars: sales tax, income tax and corporate tax. The current federal sales tax next year will contribute about $17 billion in tax revenues. To put this in perspective, if we eliminated the federal sales tax that we have now, which we want to do, and put it on to income tax, Canadians would be paying a 30 per cent increase in personal income tax—a 30 per cent increase in personal income tax. An increase of this magnitude would lead to substantial disincentives to work and invest. There is no question about that.

Alternatively, relying on the corporate tax system for these revenues would require corporate tax revenues to more than double. We would have to double the taxation on all our small businesses, on all our corporations in this country to realize the same amount of money.

Therefore, the real issue is not whether Canada needs a sales tax, but to try to develop a sales tax that is fair and supports growth. Replacing the existing tax with the tax that the government is proposing through its goods and services tax will achieve three important goals. First, it will continue to contribute to the government's ongoing plan to reduce the deficit. It will be a vital element in our plan to make the changes necessary to ensure that Canada can compete effectively in the world and at home. It will improve the overall fairness of the tax

system. Lower and modest income Canadians will be better off when the GST is in place.

• (1240)

During the few moments I have left I want to address specifically the points in the motion before the House. The motion suggests that we should introduce a minimum corporate tax on profitable corporations. In the two decades before our government took office governments of the day permitted the corporate tax system to become riddled with special exemptions and deductions. I agree with my hon. friend for Ottawa South when he says the tax act is so thick he cannot get it under the seat of a plane. I never carry the tax thing around, to be quite honest with you. But I guess some people like the hon. member for Ottawa South takes it with him and cannot get it under his airplane seat. I understand that. But he must remember that the Income Tax Act just did not develop in the last four years. That, over the last 20 years, has allowed these special exemptions and these deductions. What it did was encourage wasteful activity and it eroded the nation's tax base.

Let us talk about a minimum corporate tax. That is what some people are suggesting we should introduce. However, this government believed that rather than patching up the tax, which that does—it allows the same exemptions and all the other stuff but you just put a minimum tax on—the best solution was to go to the root of the problem and curtail these special exemptions. The result has been a progressive reform of the corporate tax system over the past six years. This has included measures to generally reduce fast write-offs on capital expenditures, to increase the rate of capital gains taxation, to eliminate the general investment tax credit rates, to sharply reduce special investment tax credit rates, to block the use of various complicated financial schemes, to transfer losses and other tax advantages from non-profitable corporations to profitable ones.

In addition, in the April budget the government introduced the large corporations tax which ensures that all corporations pay federal tax.

The overall impact of these measures is that we will be able to increase annual revenues from the corporate sector by over $2 billion. Furthermore, because the corporate tax base is much broader now, the year to year variations in tax revenue will be more stable in the future than they have been in the past. This will enable the government to plan its programs on the basis of more certain corporate tax revenues. In summary, the federal government has chosen to repair the fundamental weaknesses of the corporate tax system, rather than leave them in place.

The motion suggests that we should tax income from capital gains at 100 per cent, with the exemption of capital gains from farm lands sold for agricultural purposes, small businesses, and principal residences. Under the existing tax, farmers and small businesses enjoy a $500,000 capital gains exemption and the existing tax also does not apply to the sale of principal residences.

However, the government remains committed to the $100,000 lifetime capital gains exemption for all other taxpayers as an incentive to encourage risk taking and increased equity participation in the Canadian economy. We believe that over time this measure will improve the balance sheets and the financial health of Canadian companies, thus contributing to job creation and higher incomes.

A further incentive to invest is provided by the inclusion rate for capital gains which the hon. member talked about today. The inclusion rate has been increased from 50 per cent to 66 2/3 per cent and is legislated to rise to 75 per cent for 1990 and subsequent years.

I would point out that it is desirable that the burden of Canada's capital gains tax not be significantly above that of other industrial nations. Canada will not be able to attract equity investment that is needed for future growth and job creation if we place an excessive tax burden on capital gains while our neighbours do not. For these and other reasons we believe that the present tax treatment of capital gains in Canada is appropriate.

The motion suggests that we should restore an inheritance tax on wealthy estates. Past experience with estate and gift taxes has shown that these taxes, first, were inequitable and, second, they were inefficient. The hon. member wanted some reasons why it was removed. Third, these taxes were complex to administer. Realizing this, the previous Liberal government abolished estate and gift taxes in 1971. Those taxes were found to be inequitable because of the many avenues of legal tax avoidance open to taxpayers with access to sophisticated tax planning advice and the resources to pursue these opportunities. Such taxes were also inefficient because

they encouraged taxpayers to invest their wealth to an excessive extent in those investments that for administrative purposes are tax lightly. Thus they tended to encourage increased investment in farm land and life insurance policies.

A decision by the government to reintroduce estate and gift taxes would likely encourage wealthy Canadians to take up foreign residency—this is what we saw happen before and is one of the reasons why it was changed—and redirect their investment in entrepreneurial activities elsewhere. Do you remember the famous trips to the Bahamas by so many of our wealthy in this country just because of that, because of tax planning purposes? This would deprive Canada, of course, of savings and entrepreneurial talent. We agree with that decision that was taken back in 1971. We disagree with the New Democratic Party.

I guess the most important thing, something which never bothers the socialists, is that it was administratively complex because to be successful revenue raisers, they must be accompanied by complex anti-avoidance measures. Even then, the experience of other countries shows that such measures are largely ineffective. The taxpayers and their advisers appear to be always one step ahead of the tax department. I think the hon. member knows that.

On balance, such a tax as that proposed in the motion would yield small revenues, require complex legislation, be subject to widespread legal avoidance, and perhaps even illegal evasion.

The motion suggests the introduction of a more effective, progressive income tax. I said earlier that the goods and services tax is the second element in the government's comprehensive tax reform package. The first stage that took effect in 1988 involved changes to both personal and corporate income taxes. The personal income tax proposals were designed to produce a fairer, more understandable tax system. These changes also promoted greater initiative and improved competitiveness, thus contributing to economic growth and job creation. The record speaks for itself—1.5 million jobs over the last five years. The key to achieving these goals was to lower tax rates and broaden the tax base.

Lower tax rates improved incentives for Canadians to work, to invest, and to raise their standards of living. More than 85 per cent of all households had their income tax reduced as a result of tax reform. Some 850,000 lower income Canadians had their income tax eliminated. At the same time, income taxes were increased for about one million high income households. I experienced that myself.

These taxpayers included those who had claimed large, special tax preferences or credits. A progressive tax system is one in which every one pays their share, based on their ability to pay.

In 1986, the government introduced the alternative minimum tax to respond to the growing concern at the numbers of high income Canadians who were paying little or no personal income tax. Statistics show that in 1987 there were 39,550 taxpayers subject to the minimum tax yielding revenues of close to $150 million, which resulted in the reduction of a number of high income individuals who were not paying their share of tax. Now only about one-half of 1 per cent of high income individuals are paying little or no personal income tax. They cannot get away with that for much longer than two years when it catches up with them again.

Our commitment to a fairer tax system is apparent in the proposal of sales tax reform as well. A broad tax base, a low rate and targeted assistance to lower and modest income families will ensure that the proposal will be fair.

Are you telling me my time is up, Madam Speaker? I am just getting warmed up, for heaven's sake.

Let me just say on the GST, if I might just have a paragraph, that they keep telling me that it is not fair to low income people. The GST credit will be increased to $225 per adult and $100 per child. The household income level up to which maximum benefits will be paid will be increased to $24,000, so that many more Canadian families will benefit from the credit. It will be delivered four times a year in advance. More than nine million Canadians will receive the GST credit cheques. Families earning less than $30,000 will be better off once the GST is in place.

In addition to the enriched GST credit, the middle income tax rate will be reduced from 26 per cent to 25 per cent. This will provide assistance to middle income families and make the income tax system more progressive.

• (1250)

I realize my time is up, Madam Speaker. I just want to say that I welcome the opportunity to debate this matter today. I thank the New Democratic Party for bringing this motion forward because it gives the government an opportunity to present—and we will have other speakers later today who will go into the goods and services tax in more detail and to explain how it will work—in more detail how it will benefit Canada for many, many years.

Mr. Manley: Madam Speaker, I appreciate the opportunity to ask the minister a couple of questions about aspects of the goods and services tax that particularly trouble me.

First of all, I think he has taken a bit of the line of his leader in saying, "These people are not allowed to criticize unless they provide a detailed alternative". I would ask him to go back and review the comments that I made. That statement is a form of intellectual dishonesty because we do have an existing tax system in Canada and an alternative has been proposed. If public debate is going to be meaningful on this issue, what we need to do is focus on the proposed alternative and debate that so that Canadians understand exactly what it is that is being proposed. In criticizing that approach he has essentially tried to adopt the strategy, which I am sure he would like, of making the defence and offence.

I would like to ask him about something which truly troubles me about this tax, or two aspects of it. The first is the effect on lower income Canadians. The minister was just referring to the refundable tax credits which are meant to alleviate the amount that this tax is regressive.

If the government is really concerned about ensuring that the tax is not regressive on low income Canadians, why on earth are those tax credits not fully indexed? They are going to erode at 3 per cent a year. These are the poorest, lowest income people in Canada.

The other aspect of this that troubles me is the effect that it will have on our diverse regions. The manufacturers' sales tax is applied at the manufacturing level. The goods are then transported by and large from central Canada to the extremes, especially the north. The new tax will be applied at the retail level. Therefore, in addition to existing excise taxes, it will result in a 9 per cent tax on the transportation costs incurred in getting goods to the regions, the north in particular, a very significant increase.

When the finance committee was in Whitehorse a couple of weeks ago we heard about how the 25 per cent additional cost-of-living burden is experienced in Whitehorse as compared to Edmonton and Vancouver. This is only going to be made worse when the tax is applied on the transportation included price of the goods. I would like the minister's comments on those two points.

Mr. McDermid: Madam Speaker, I appreciate those two questions. First of all, on the indexing, as you know the government in its policy back in 1985-86 indexed programs of the government after 3 per cent, with the exception of the senior citizens' pensions which at the time we attempted to do as well. In this particular instance this will follow the policy of the government as stated.

That is not to say that the base level cannot be adjusted from time to time, and is, as the hon. member knows. Even in indexed pension programs and so on and so forth, the base is adjusted from time to time. There is nothing to prevent a government from increasing that base from time to time as is necessary. There is no reason why this will not happen in the future.

For people projecting into 1995 and the year 2000 what this rebate will do based on today's figures is really a little unfair and very hypothetical. As the hon. member knows, governments adjust these bases from time to time, and will continue to do so.

With respect to the second question, everything in the north costs more. It always has. Those people are now paying a 13.5 per cent sales tax which is multiplied upon—they do not know it. It is based on transportation because—

Mr. MacDonald (Dartmouth): No, it is not.

Mr. McDermid: Excuse me, when an individual buys a product that is manufactured they pay a 13.5 per cent tax on it. They will not do that in the future. As the 9 per cent moves through, the business that pays the 9 per cent on transportation can subtract that from the tax they collect. Therefore, the transportation costs are business input costs and thus can be subtracted. I am the first one to admit that things are more expensive in the north, but a succession of governments has recognized this and has given certain tax concessions to people living north of a certain line that is drawn by the government.

Mr. Manley: So will you do it?

Mr. McDermid: It is there, it is in place now. In fact, because of the resource base which is in the north, the resource industries are going to benefit far more from this sales tax than any others. The overall impact in the north is in fact going to be relatively neutral. I think the Minister of Finance said the other day that it was a 1 per cent difference or something because of the overall impact of the GST.

You cannot look at it on a very narrow basis. You have to look at the overall economy of the region. That is what they did not do when they were making their presentations. I looked at those presentations very carefully, but they did not talk about the overall improvement in the resource industry and the competitiveness of the resource industry, the increase of jobs being created and so on. They did not talk about that.

One cannot look at the GST as did the funeral directors appearing before the committee last night, on a narrow basis. When you are discussing the tax you have to look at the overall economic performance and how it is going to affect the economy of this country. In fact, every economist in this country has said that the goods and services tax is an improvement for the output of this country.

Mr. MacDonald (Dartmouth): Absolutely not.

Mr. McDermid: Check it. We have got figures that show it is costing us $9 billion in production today and that when it is brought in it will increase productivity and increase jobs in this country. That is what this is all about. It is to bring in a fairer, much broader based tax system that in the long run, and even in the short run, is going to be much fairer to the Canadian taxpayers, and it is going to be much better for our economy. When our economy is working, people are working. When people are working, they are paying taxes. When they are paying taxes, then it is not necessary to increase taxes. You do not have to put heavy burdens on one section of the economy or the other. All they want is fairness. That is what this is all about.

Mr. Nault: Madam Speaker, I will place my question as quickly as I can to the minister.

Before I do that, I would like to let him know—and he should know this since he is a minister of the Crown—that the manufacturers' sales tax is not part of the resource base industries as he has indicated. The produce and equipment are exempt as it relates to that. You should know that and maybe you should look it up if you get a chance.

Also, if the manufacturers' sales tax is so bad, something which you allude to in your speech, why is it that it went from 9 per cent to 13.5 per cent? Why did it not stay there where it belonged because it is supposedly so bad for Canadians? Please tell us before we retire for lunch why that is so.

Mr. McDermid: I thank you for that. That is the exact reason why. It is an unfair tax but, at the time, we still needed revenue. The government still needed to operate. We had to pay for health care, post-secondary education, social services the costs of which increase every year. Our grants to provinces are going up every year. They had to be paid for. That is why it went up, but it is not fair. The Minister of Finance was the first one to recognize it. That is why he is trying to bring in a fair goods and services tax that will be fair to all Canadians. Thank you for bringing that point up.

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

VIA RAIL

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I want to bring to the attention of this House a letter which illustrates the outrage my constituents feel at the elimination of VIA Rail service from Halifax to Sydney. The letter is from Mr. Angus O'Neill of Mulgrave, Nova Scotia. Mr. O'Neill states:

> I am writing to let you know we support you in your effort to save VIA Rail, the people's railway.
>
> This government has forgotten the people, the majority of whom did not vote for them and is serving the millionaire minority who, in large measure, paid for their election. This government also hit our region hardest with the VIA Rail cuts as it has with all of their regressive, repressive measures. Honest governments try to keep election promises but the Mulroney government is trying to break all its election promises.
>
> It was more ideology than economics or social awareness that motivated Mr. Bouchard's butchery of our passenger rail service. His reasons were dishonest; his facts fiction.

And Mr. O'Neill ends with a story:

> About 15 years ago I left on the Railiner from Halifax at 6.45 p.m. on Christmas Eve. Planes were grounded, buses stopped and cars abandoned. No one worried aboard the train as it pushed on like a snowplow. We got into Havre Boucher station at 3 a.m. Christmas day. The train kept on to Sydney but I and others could not get away from Havre Boucher station until the highway plows cleared the roads at noon.

This government is robbing Cape Breton and eastern Nova Scotia of passenger rail service. It is time the Minister of Transport—

Mr. Speaker: I am afraid the hon. member's time has expired.

* * *

ROYAL CANADIAN MOUNTED POLICE DRESS CODE

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I am pleased to see that the Commissioner of the RCMP, Mr. Inkster, has officially recognized the importance of reasonable accommodation of human differences. He has recommended to the Solicitor General that members of the Sikh religion who qualify to be RCMP officers should be allowed to wear their turbans, ceremonial daggers and beards.

I also appreciate the justice the RCMP has shown in permitting modifications of the traditional uniform to accommodate female officers.

It is encouraging to see that the RCMP is following the example of the Metro Toronto Police in removing barriers which have prevented equal opportunity for all Canadians to join the RCMP.

I urge the Solicitor General to uphold this progressive and sensible recommendation.

* * *

THE ENVIRONMENT

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, the countdown to possible disaster will begin if the U.S. National Aeronautics and Space Administration goes ahead with the launch of a space probe containing lethal plutonium.

From the moment the shuttle is launched to when the probe, called *Galileo*, makes two high-speed lowl-level flights over earth, this planet will be in danger of radioactive contamination.

The probe is fueled by 49.25 pounds of plutonium, one pound of which has the capacity to kill every person on earth.

The chance for shuttle accidents is now upgraded from one chance in 100,000 to one in 78. Another launch disaster similar to the *Challenger* holocaust could release lethal doses of plutonium to be spread by winds throughout this planet.

Because Canada has already been the victim of radioactive debris from a Soviet nuclear satellite, and because one of the purposes of the American space probe is for military reasons, Canada must send a letter of protest to NASA for putting the people of this planet at such unnecessary risk.

* * *

PUBLISHING

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, the National Library of Canada has recently undertaken a program of mass deacidification of Canadian books. This is necessary because almost all books printed in this century have used acidic paper. However, there are new processes available which allow for the production of alkaline books.

The federal government is a huge user of paper and publisher of documents and therefore it would make sense for the federal government to take the initiative and convert to the use of alkaline paper for publishing documents. Not only would this extend the shelf life of these publications, thus saving money for the National Library, but the reduction in the use of acidic chemicals in paper production would benefit our environment.

This is an opportunity for the government to lead by example and because of the size of its printing operation I believe it would have a major impact.

* * *

CHILD CARE

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to bring to the attention of members the issue of Canada's child care crisis, and that is exactly what it is, Mr. Speaker, a crisis.

At the present time, we have parents who cannot afford child care; parents who cannot find child care for their children; parents who must put their children's names on waiting lists just to get into a child care facility; and we have child care staff who, under the current system, earn less than workers who look after some animals. This is a shameful situation.

Back on August 11, 1988, the Prime Minister said:

> We want the best of care for our future generation.

The Prime Minister also said:

> This government is committed to social justice for all Canadians. Child care is the centrepiece of that commitment.

I ask, Canadians ask: Where is that commitment?

At this time, we do not need more studies, reports, and task forces. Canadian families need a national child care plan, one of quality, affordability, availability, accessibility, and they need it now. Children are the only group in our democratic society whose political rights are entrusted to another group. This government is not worthy of that trust. If children were given the right to vote—

Mr. Speaker: I am sorry, but the hon. member's time has expired.

TRANSPORTATION

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, in view of the recently announced cuts to VIA Rail, and in view of the anticipated increase in the volume of traffic to an already over-taxed highway, will the Minister of Public Works reaffirm his commitment to the constituents of Wild Rose and to the travelling public that he will undertake as an immediate priority, the allocation of sufficient funds in the budget for the 1990–91 fiscal year to continue with the twinning of the Trans-Canada Highway in Banff National Park?

It is imperative that we do everything we can to prevent further unnecessary traffic accidents and fatalities on a hazardous highway which will become more so, as alternatives to it are eliminated.

* * *

AIR FARES

Mr. Steve Butland (Salt Ste. Marie): Mr. Speaker, I rise today to discuss flying the friendly skies of deregulation with general reference to northern Canada.

Our jet service was, or will be, replaced with some smaller aircraft which will provide us with more frequent flights, although some aircraft will have no toilet, no food service, no physical space, no host or hostess, but we can still anticipate less expensive fares because of increased competition. Mr. Speaker, would you believe it is more expensive for anyone to fly Ottawa—Sault Ste. Marie return than it is to fly to Florida, Puerto Plata, Frankfurt, Amersterdam, Paris, Copenhagen, Brussels, and yes, even Casablanca.

The return flight to Sault Ste. Marie is $509. So much for cheaper fares. And let us not forget the unacceptable 9 per cent sales tax. The skies are less than friendly for the people of northern Canada.

* * *

[*Translation*]

MUNICIPALITIES

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the Hon. Member for Ottawa Centre (Mr. Harb) said not long ago in *Le Droit*: "In 1984, the Mulroney Government stopped paying municipalities the subsidies that until then helped them absorb part of the costs of infrastructure maintenance."

Mr. Speaker, the Hon. Member for Ottawa Centre should have done his homework before making that statement, because the Liberal Government terminated the subsidy program for local community services in 1982.

We should remember it was the federal Liberals who lost Canada billions of dollars, for no good reason, with their scientific research tax credit in 1983–84.

Mr. Speaker, that is the program the Hon. Member for Ottawa Centre should have mentioned in *Le Droit*, a program that was cancelled by the Tories shortly after they came to power, a program to which reporter Paul Morisset referred in *L'Actualité* of February 1987, in the title of his article: *The Robbery Of The Century*.

* * *

[*English*]

ABORTION

Mr. Tom Wappel (Scarborough West): Mr. Speaker, as members of the House will know, two weeks ago I arranged for the film, *Eclipse of Reason*, to be broadcast through Oasis on Channel 98. This film discusses second and third-trimester abortion from the medical point of view and depicts the procedure which is endured by the unborn child. I took this action so that members and senators of all parties would be better informed on the medical facts before entering into debate on this issue.

Although I am well aware of just how busy members are during a session, I hope that all took the brief 27 minutes out of their schedules to watch this short but informative documentary. If, however, members were unable to view the film on one of the three days that it was shown, please feel free to contact me and I will arrange a private screening.

• (1410)

I am certain that with this additional perspective members and senators will be better informed about the emotional subject of abortion.

S. O. 31

DRUGS

Mr. Gus Mitges (Bruce—Grey): Mr. Speaker, the problem of drug abuse and trafficking, and together with the vast chain of associative problems, must become a paramount concern of government and citizens alike. Decisive action must begin in earnest to curb this rising tide which overwhelms large segments of our population and costs such exorbitant sums in policing services and health care.

It has been suggested by the Owen Sound Ontario Board of Police Commissioners, and which I agreed to as well, that all profits of assets seized under the Narcotics Control Act and subject to Bill C–61 be returned to the municipality in which the seizures were made. These funds would be directed into drug education and prevention or treatment programs at the local level, a move in the right direction if we are ever to be successful in cooperating to remove this tremendous loss of potential energy and leadership among our population and to lead us toward a drug–free society.

* * *

[*Translation*]

WOMEN

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, yesterday the Premier of Québec introduced his new Cabinet. Today, I will not comment on individual appointments. I will let history be the judge!

Nevertheless, I think Mr. Bourassa is to be commended for having asked a large number of women to shoulder some very important responsibilities. At Cultural Affairs, Regional Development, Finance, Communications and Status of Women, they will have their work cut out for them.

Mr. Speaker, the women of this country have taken their place in political life, but above all, they have shown that with their skills, judgment, intelligence and sensitivity, they are able to play a major role in public affairs today. It would of course have been better to hear a man say this. I admit that I appropriated this role with all due humility and, Mr. Speaker, I hope the opposite sex will not hold it against me.

S. O. 31

[*English*]

VIOLENCE AGAINST WOMEN

Ms. Mary Clancy (Halifax): Mr. Speaker, on this the day of the Person's Award, a report has been released in Montreal which gives a startling reminder of the pervasiveness of violence against women in Canada. Women in this country live in fear, fear that they will be raped, abused or assaulted on the street, in their homes, by strangers, by friends, or by husbands. Sadly, their fear is justified. One million Canadian women will be abused by their husbands or partners in the next 12 months. One in four Canadian women can expect to be assaulted in their lifetimes, and half of those women will be assaulted before the age of 17.

Fifty-six per cent of urban Canadian women are afraid to walk alone in their own neighbourhoods after dark. Women who have been abused still face a society which considers them to blame, a society that tells them over and over that they do not have the credibility, the money or the power to fight back.

The women in Canada face a government that has yet to take a leading role in stopping the violence that is directed toward them. The government's allocation of $40 million last spring was a paltry attempt at a short-term fix to a life-long problem.

I urge this government to take a real stand against violence toward women.

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ROYAL CANADIAN MOUNTED POLICE

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, one of the most important communities in the riding of Elk Island is Fort Saskatchewan. This city of over 12,000 people was named after one of the first Northwest Mounted Police forts in Canada. Since 1874, the fort on the North Saskatchewan River has served as a symbol of law and order in Canada.

As part of the foundation of the present day Royal Canadian Mounted Police, this community offers much to the history of Canada. Respect for the RCMP with its rich heritage and long-standing traditions is great not only in Fort Saskatchewan, but also in other parts of the Elk Island constituency.

On behalf of all of the people of Elk Island, I salute our police fort community and celebrate the valuable contribution of Fort Saskatchewan to the history of the RCMP in Canada.

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THE ENVIRONMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, the Government of Saskatchewan is attempting to construct a replacement dam in Island Falls in northeastern Saskatchewan without being subjected to a federal environmental assessment and review process.

As was the case with the Rafferty-Alameda project, Premier Devine is saying that he is going to do what he wants regardless of how it affects the province of Manitoba.

Again, Manitoba's Gary Filmon is silent. When the original Island Falls dam was built in the Churchill River in 1927, no environmental review took place. For over 50 years this project has flooded Manitoba Crown lands and Indian reserves. Despite what Saskatchewan is saying, plans for the new dam are very different from the original dam. The dam will change water levels, damage fisheries, wildlife and waterfowl habitats. Navigation and water supply will be negatively affected. The lives of the Mathias Colomb and the Barren Lands band members will be changed forever.

The Minister of the Environment has a duty and he must ensure that a full environmental assessment review process takes place.

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THE LATE JOHN WESLEY BEAVER

Mrs. Christine Stewart (Northumberland): Mr. Speaker, on Tuesday, John Wesley Beaver, fondly known as Jack, died in Cobourg after a lengthy illness.

He was a great Canadian, a leader throughout his life, whether as a young man excelling in athletics, winning a middleweight boxing title, or serving his country during World War II as a spitfire pilot in the Battle of Britain and invasion of Europe, or in his professional life as an electrical engineer rising through the ranks of Ontario Hydro to become President and Chief Executive Officer of Churchill Falls Inc. Labrador. Mr. Beaver, a long-time friend, was an Ojibway Indian from the Alnwick reserve in my riding. He was a descendant of generations

of chiefs. He himself was chief for four years in the early 1950s. He contributed greatly to his native community, working with it to achieve self-government and to build an economic base through small business on reserves.

His views and counsel will be greatly missed both within his native community and in the corporate world. Our deepest sympathies are extended to his wife Marjory and their children and other members of the Beaver family as we all mourn the passing of this great native Canadian.

ORAL QUESTION PERIOD

[*English*]

POLLUTION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, will the real Minister of Finance please stand up?

Some Hon. Members: Oh! Oh!

Mr. Turner (Vancouver Quadra): I do have a question for the Minister of Finance. For five years this minister has refused to provide any money for the treatment of raw sewage by Canadian cities and towns. In that time, during the custody he has had over our nation's finances, more than six billion pounds of raw sewage have been dumped by Canadian municipalities into Canadian lakes and rivers. Let me put this into context for the House.

Last year alone the equivalent of 150,000 drinking glasses full of chloroform, 84,000 glasses full of arsenic and 2.5 million glasses full of lead were dumped by Canadian municipalities into the Great Lakes.

Does the Minister of Finance, after five years reflection, still not think that this dumping of raw sewage into the Canadian environment and into the Great Lakes system is not a responsibility of the Government of Canada? When is he finally going to put in some money to respond to this crisis?

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, perhaps you would allow me to answer on behalf of the Minister of the Environment.

What the right hon. gentleman is reciting here is quite an indictment of the municipalities and the provinces which have the principal responsibility for the treatment of effluent from city sewer systems.

Mr. Gauthier: Pass the buck, is it?

Mr. Oberle Mr. Speaker, it is not true, as the right hon. gentleman asserts, that there has been no action by the federal government.

Mr. Gauthier: What do you mean, it is not true?

Mr. Oberle: We have contributed to research and information. We have assisted municipalities and provinces in tightening up their regulatory process. The fact remains in the end that the responsibility for the management and treatment of effluent remains with the municipalities and the provinces.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the hon. minister can talk about constitutional jurisdiction. Why do we have a federal Minister of the Environment, why do we have a federal Minister of Health if we are not going to exercise some responsibility at the national level, in conjunction with our municipalities and our provinces, to clean up this mess? He should respond in a more—

Some Hon. Members: Hear, hear!

• (1420)

[*Translation*]

To get back to my question, Mr. Speaker, although it seems the Minister of Finance once again is either unwilling or unable to answer, every year this Tory Government spends four times as much on advertising as it intends to spend on cleaning up the Great Lakes.

Since we all know that companies will now have to commit billions of dollars to clean up our environment, could the Minister of Finance explain why his 9 per cent tax will apply to pollution control equipment?

[*English*]

Mr. Oberle: Mr. Speaker, we are not surprised at the simplistic solutions that the opposition would propose for the clean up of the environment and the clean up of the Great Lakes. It is the same solution they have used in the past and that is to spread money at the troubled waters. That in itself is not the solution.

Mr. Peterson: It is not a national priority you are telling us.

Mr. Oberle: Mr. Speaker, if that were a solution the problem would not be as severe as it is today. The fact is that the authors of the report published yesterday admit that much research needs to be done. We do not know what the effects are on health. The fact is that action has been taken. Action committees are under way, studying and working to clean up the hot spots. We have mounted two trusts. One in the area of remedial action and a more important one perhaps in the area of preventive measures that need to be taken in close collaboration with industry, municipalities, states, provinces and government.

Mr. Turner (Vancouver Quadra) Mr. Speaker, the minister is doing a brave job—I say this to the Deputy Prime Minister—in responding to a question the Minister of Finance ought to have answered. He is talking about research. We do not need to research pollution. We need some action in this country. I say to the Minister that he cannot see the forest for the trees on this particular problem.

Mr. Speaker, since the Minister of Finance is not responding, I want to put a question to the Minister of Transport. The final recommendation of the report released yesterday jointly by the Institute for Research on Public Policy in Canada and the Conservation Foundation of the United States reads this way and I quote:

> We require sweeping changes in lifestyle from societies increasingly dependent on the motor car for transportation.

How can the Minister of Transport release at the same time his own absurd, ludicrous, ridiculous and even phoney impact study on the cutting of VIA Rail and say that 2.5 million more Canadians travelling by car every year as a result of the cuts will not be increasing the pollution problem in the country? Where has he been living for the last few years?

An Hon. Member: On the moon.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I have already tried to explain to the right hon. gentleman the way in which the process has to be worked. I will try again.

First, the law requires the minister responsible to make a preliminary study to see if it is necessary to go forward and go further in terms of environment. The figures here are based on facts. They are there, and the Leader of the Opposition could question all the facts. We have considered the facts which have been proposed by Transport Canada. I should be more specific. They have been totally endorsed by the officers of Environment Canada.

Some Hon. Members: Oh, oh!

Mr. Bouchard (Roberval): The Leader of the Opposition says that it is a phoney document. I am sorry, but I have all confidence in the officers of Environment Canada. I can guarantee that those figures are good. There is no reason, based upon those figures, to go further in terms of the environmental study, and we won't, Mr. Speaker.

[*Translation*]

Hon. Herb Gray (Windsor West): Mr. Speaker, if the study to which the Minister of Transport referred is so reliable, where are the figures on nitric oxide and carbon dioxide? Where are the facts, on acid rain and the greenhouse effect, following the cutbacks at VIA Rail? Why wasn't this kind of study done by experts at the Department of the Environment instead of by the Minister's officials?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, everyone except the Liberal Party understands that as far as the VIA Rail network is concerned, it all depends on the number of passengers we take out of the network and put on other modes of transport. We said that theoretically, because some people may take the train, 2,400,000 people would travel by car.

Mr. Speaker, I am happy to say that since the 70's, 96 per cent of hydrocarbon, carbon monoxide and nitric oxide emissions have been reduced, and that by the year 2000, these emissions will be down to 5 per cent. This started under the previous government. Canada has some of the strictest regulations in the world on emissions of polluting substances, and that is the perspective in which the study was carried out. It is in the same perspective that I say to the Hon. Member for Windsor West that this study is a valid one. It shows it is unnecessary to go any further, because once again, its conclusions are entirely endorsed by the Department of the Environment, by officials of the Department of the Environment, and the study states that it is useless to go any further because the consequences are absolutely negligible.

Mr. Gray (Windsor West): Mr. Speaker, we have had nothing from the Department of the Environment other than the Minister's silence and absence.

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[*English*]

TRANSPORTATION

Mr. Gray (Windsor West): Mr. Speaker, it was reported today that a group of American railroaders want to operate three passenger rail routes in Canada in place of VIA Rail's service which the government wants to eliminate. In fact, their spokesman said: "The public has proven that despite the intentions of the federal government it wants passenger rail service and will partronize it when available".

Why doesn't the government allow VIA Rail to continue to operate these services? Why does the minister and the government show less confidence in Canadian passenger rail service than a group of American entrepreneurs?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, because Canadians will have to pay for the deficit that you created. Canadians know increasingly that you never cared about the deficit, but we do care about the deficit.

Some Hon. Members: Hear, hear.

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THE ENVIRONMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Transport. Canadians have seen in the last 24 hours, whether it comes to the Great Lakes or VIA Rail, in terms of the impact the government is all talk and no action whatsoever.

I want to ask the minister about his so-called environmental impact study. I have three previous studies that have been done. The Fraser-Thompson Corridor, a 100 page document on environmental impact; the Alaska Highway Pipeline, Environmental Impact Study of 100 pages and a third one, done interestingly enough on CN Rail Twin-tracking Program in British Columbia alone—one part of the whole railway system—a 100 page document. In contrast I have here a seven-page mimeographed handout that the minister prepared over the weekend. Will the minister now be honest with the people of Canada and admit that his so-called study was a complete fraud when it comes to the environment?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, it is obvious again that the Leader of the NDP does not understand. The situation is much more complex than what he raised. I repeat what I said. We took the passengers on the current network who want to be served and we moved those passengers to other modes of transportation.

I will give you, Mr. Speaker, just a little figure which will explain what I am talking about. If you move all those cars on highways, where at the present time we have 142,000 cars moving at the same hour and what if we put on the Canadian highways 142,000 more. I would like for you to understand once again that the figures are good. They are the figures accepted by Transport Canada and Environment Canada.

• (1430)

Mr. Broadbent: Mr. Speaker, neither the figures nor the minister are any good when it comes to the environment.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Broadbent: The minister cannot name a single environmentalist in the country who will support what he has done in the last 24 hours.

With reference to the need for a serious job in terms of studying the environmental impact on the VIA proposal, the Great Lakes study itself that came down yesterday made very specific reference.

I ask the minister to check it out; do not take my word for it. On page 25, they said that if we are going to deal with the Great Lakes we have to deal with the whole ecosystem, particularly air pollution. They cite the need to reduce auto remissions. They cite the need, therefore, for further studies about the impact of alternative modes of transportations on the environment.

If the minister were serious, on the part of the government that claims to be serious about the Great Lakes would he not now admit that in terms of his responsibility on VIA Rail they ought to have done a comprehensive alternative use of transportation study to help reduce air emissions in the Great Lakes region?

Mr. Bouchard (Roberval): Mr. Speaker, I have two points to make. The first one is that I do not understand when the leader of the NDP asks for a more comprehensive study.

He was laughing at me when I proposed a royal commission to look at the future of transportation. Of course it will consider the environmental side of the new transportation system.

When something is serious it is not for the leader of the NDP. Dealing with the quality of the leader, I will have the elegance not to comment on that.

Mr. Broadbent: Mr. Speaker, I am glad the minister reminded me about his royal commission after the fact. That is precisely the point: the government is making a decision now about VIA but is doing its study afterward. The government is supposed to do the environmental study ahead of the project to head off the effect.

[*Translation*]

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Government refused to conduct a serious environmental impact study on the VIA Rail cuts. The same Government has not taken a serious stand on the Great Lakes.

Would the Minister admit that the only aspect of the environment that matters for the Government is propaganda?

Mr. Bouchard (Roberval): Mr. Speaker, once again I am surprised at the reaction of the New Democrats' Leader, because he claims that the study which was done, and I always said that it was a preliminary study, as required by law to determine the need for a supplementary study— The preliminary study does not require us to conduct a further study. What surprises me, Mr. Speaker, is that this study was endorsed by Environment Department officials, and any comprehensive study called for by the New Democratic Leader would be done by the same Environment officials.

So why are they wrong now and why would they be right if we had a comprehensive environmental study?

Mr. Speaker, a little consistency from that side of the House, please!

[*English*]

Mr. Rex Crawford (Kent): Mr. Speaker, in the absence of the Minister of the Environment my question is for the Deputy Prime Minister and is with regard to the Great Lakes water quality.

Canadians are scared and concerned about the massive toxic soup of the Great Lakes. The minister will be aware that many of the remedial action plans announced in 1985 are actually remedial delay plans. Not a drop of water or a grain of poisoned sediment has been cleaned. Canadians want action.

The Prime Minister announced last year $75 million for clean up. Now the minister is saying that it is only $55 million plus $20 million for a health study. If the government is so committed to action, why the delays and why the drop in clean-up funds? It takes billions, not millions.

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, my hon. friend is quite right. The task at hand is costly and will require some time and serious commitment by all the stakeholders and all the players. It includes the jurisdiction of the United States, the provinces, the municipalities, the science communities and of course the federal government.

Indeed it can be said that it is quite beyond the capacity or the means of any one jurisdiction to address the problem properly. The fact is that the federal government, since 1984, has taken very decisive action. It is not true that nothing has happened.

Everybody here is as well informed as I am about the work that has gone on in the Windermere Basin in the Hamilton Harbour. It is one of the sites that has been identified as one of the hot spots. We now have solid agreements with the jurisdiction in the United States. We have agreements with the provinces. The municipalities are involved. The science community is involved in various ways in the universities that study and do research. Things are in hand. What else would the hon. member have us do?

Mr. Crawford: Mr. Speaker, I have a supplementary question. The Great Lakes Water Quality Agreement has no real mechanisms for putting people's feet to the fire. Nothing is legally binding on the U.S. or Canadian government to follow its plan.

Will this government commit to negotiating a formal Great Lakes treaty, with the Americans, to force both sides to follow the rules and regulations and not leave our citizens' health and well-being to the whims of political promises?

Mr. Oberle: Mr. Speaker, as the hon. member knows we have renegotiated the Great Lakes treaty with the United States. There are teeth in the agreement. Action has taken place on both sides of the lakes. In fact the comprehensive monitoring process that has been launched by these treaty negotiations points out that progress is being made. The problem is not as severe as it was 10 years ago.

That does not give us any great comfort, but the fact is that we are making progress and there is a strong commitment, certainly by this government, to complete the task.

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CANADIAN BROADCASTING CORPORATION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, television is the key medium of influence for most Canadians. The new broadcasting bill purports to ensure a Canadian broadcasting policy.

In the light of the country's rapidly changing political dynamics, the new broadcasting bill fails to Canadianize and reinforce Canadian unity.

My question is for the Deputy Prime Minister. Why will this government no longer ensure that the CBC is required in its mandate to contribute to national unity through its programming? Why is this government removing, bite by bite, anything that helps to reinforce Canada?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the hon. member is referring to Bill C-40 which was tabled in the House earlier today.

I think on careful examination that the hon. member will find that the CBC's role in national cultural identity is strengthened through the insertion of a new subclause to which I would be happy to draw her attention. I believe it is subclause 3(1)(l)(iii). I am sure that she would be very pleased to read that.

In addition, the new mandate of the CBC is to foster Canadian consciousness. I am sure that we will hear further from the hon. member as the bill proceeds.

Mrs. Finestone: Mr. Speaker, I thank the hon. member for his answer. I think Canadian unity and Canadian identity need more than a little subclause.

[*Translation*]

Why didn't the Government's new legislation make it incumbent on the CBC to promote national unity? Why did the Government forget its responsibility for reinforcing Canadian unity?

Mr. Edwards: Mr. Speaker, the answer is the same in French as it was in English, in other words, the proposed legislation makes it incumbent on the CBC to foster Canadian consciousness.

* * *

• (1440)

[*English*]

THE ENVIRONMENT

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport. A few moments ago he said that the whole matter of environmental assessment is much more complex than my leader would believe.

I want to ask the Minister, if it is much more complex would he not admit that a proper environmental assessment would include the following: relative fuel consumption of various modes of transportation; relative emissions of hydrocarbons, carbon monoxide, nitrogen oxide by various modes and their contribution to the greenhouse effect and ground level ozone; the impact of increased traffic in high density areas; the impact of expanding infrastructures and a route by route environmental analysis of all significant factors?

Would he also admit that his study did not examine any one of those items.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I repeat what I said twice. I said that it is a preliminary study which has to determine what will be the environmental effect on other modes of transportation if we move passengers from the trains. That is the bottom line.

The answer is: it will be negligible at the time. It means that we do not have to go further to determine if the new passengers will create more environmental problem. The answer is no. This answer has been confirmed by environmental specialists.

Mr. Angus: Mr. Speaker, only the Minister of Transport could tell the country that 1.7 million more automobiles on the roads will not add to the environment.

Some Hon. Members: Oh, oh!

Mr. Angus: I believe the Minister needs some assistance. I have in my hand a document put forward by the Federal Environmental Assessment Review Office called *Federal Environmental Assessment and Review Process, Initial Assessment Guide*. It is basically a "how to" to conduct an environmental assessment.

An Hon. Member: Good idea.

Mr. Angus: It is available from the Library of Parliament. Perhaps the minister would like to have his staff get it, take a look at it and then decide, finally, that what should be done is a full environmental assessment before any of these cuts are proceeded with. Will he do that?

Mr. Bouchard (Roberval) Mr. Speaker, we know that the New Democratic Party would like to have a full environmental assessment by those people, FARO, those specialists in the environment who already decided that we do not need this environmental study. I am trying to understand but do not try to understand the NDP, Mr. Speaker.

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PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the attention of members the presence in the gallery of Mr. Cyprien Mbonimpa, Minister of External Relations and Co-operation of Burundi.

Some Hon. Members: Hear, hear!

Mr. Speaker: I also wish to draw to the attention of members the presence in the gallery of a delegation from Austria, led by Mr. Erich Fidesser, Member of Parliament for the Province of Lower Austria.

Some Hon. Members: Hear, hear!

[*Translation*]

AGRICULTURE

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Mr. Speaker, my question is directed to the Minister of State (Agriculture). Last Friday evening, a major fire caused serious damage in the sheep section of Agriculture Canada's experimental farm in La Pocatière, in the riding of Kamouraska—Rivière-du-Loup which I have the honour and the privilege to represent in this House. Mr. Speaker, flames devastated the new facilities, finished in 1988 at a cost of $1.4 million. About 700 sheep were lost, all ewes belonging to ten different breeds, which were being used in a major genetics and breeding program aimed at increasing the number of births in sheep. Mr. Speaker, since this experimental centre was the second largest in Canada, my question is as follows: Can you confirm, for my benefit and for the benefit of the entire population of Eastern Quebec, what Agriculture Canada intends to do regarding future use of this research centre? Second, does your Department intend to proceed with the construction—

Mr. Speaker: Order. Perhaps the Minister could respond.

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, this is a very important matter. At the facility, which was a considerable asset to sheep raising in Eastern Canada, we luckily managed to preserve all genetic records. We already have many breeders who will be able to take advantage of our findings. I think that is good news.

As far as rebuilding is concerned, our people are now working on this aspect, and I think we can say the Government intends to rebuild the facilities, Mr. Speaker.

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[*English*]

INDIAN AFFAIRS

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I have an urgent question for the Minister of Indian and Northern Affairs concerning the appalling and unacceptable conditions that exist in a number of the Six Nations Reserve schools, of which he is aware, which I have seen first hand, and which are being boycotted by some 1,200 elementary school children.

In 1985 the fire marshals indicated that there were dozens of infractions to fire and safety regulations which needed immediate attention. It took the minister four years to take action.

Will the minister make a commitment in the House today that funds will be made available over and above what he has committed to date to bring the schools up to the proper safety levels? Will he commit to remove instead of just hide the asbestos which has been found in these schools?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would just like to remind my hon. colleague that I have only been Minister of Indian Affairs for about eight or nine months. Therefore I did not have the benefit of those four years he is referring to.

It is an important question, Mr. Speaker, and I hope I will have the courtesy of being able to answer. It is an important situation. It is a grave situation that has been looked into.

The health and safety issues that were raised have been resolved. The inspectors of both Labour Canada and Health and Welfare have been on site and have confirmed that the schools are safe. That is not to suggest that there is not more that has to be done. As a matter of fact I have asked Commissioner Harry Laforme of Ontario to look into the matter with the community, because there seems to be a disagreement right now that we are trying to solve.

Mr. Speller: Mr. Speaker, the disagreement is broken promises. Mr. Laforme is a fine gentleman, but the fact remains that this government, maybe not the minister, made a commitment to build three new schools on the Six Nations Reserve.

The fact was that one of these schools was to be open by this September. No sod has yet been turned. No other Canadian community would tolerate these conditions for their children and this community will no longer tolerate them.

Will the minister finally live up to his promises, start construction of these schools, meet with the chief which he refuses to do, or is he prepared to continue to put at risk the health and safety of the children of the Six Nations?

Mr. Cadieux: First of all, Mr. Speaker, I have not refused to meet with Chief Motour.

There was an appointment that had been scheduled for next Monday which I understand has been cancelled by the chief and not by your humble servant here, Mr. Speaker.

With respect to the construction of the schools, they are planned. They request the participation of the community itself because they will be building the schools themselves. We will be proceeding with construction of new schools as was planned.

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FISHERIES

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Tuna fishermen in eastern P.E.I. have been led down the garden path by this minister's department. They were guaranteed by DFO officials before the season opened that they would be allowed to fish tuna in Atlantic off Canso, and that any tuna they caught there would count against their home zone quota. Once P.E.I. fishermen arrived in the Canso area and started to catch tuna, the DFO officials changed their tune and told them to pack up and go home.

Could the minister explain to this House why fishermen in my riding were misled by his officials?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I am advised that regional officials in earlier consultations with the fishermen of the gulf region did indicate that quotas taken outside the region might be deducted from or be considered as part of their quota within the gulf.

• (1450)

We have had such a successful tuna fishery this year in all of Atlantic Canada, including the areas of Northumberland Strait and Fishermans Bank on which the P.E.I. fishermen fish, including the North Lake fishery out of eastern P.E.I., landed $500,000 of tuna last weekend, that equity has certainly been ensured. All fishermen are being generously treated in the way this fishery is managed this year.

Mr. MacAulay: Mr. Speaker, my supplementary question is for the same minister. P.E.I. fishermen were given a verbal assurance by DFO officials that they would be able to fish off Canso this year. In fact their rights were written on the licences they received from DFO.

I ask the Minister the following questions: Why have the rights of P.E.I. fishermen been taken away? Will the minister immediately restore these traditional rights to the P.E.I. tuna fishermen?

Mr. Siddon: Mr. Speaker, there are no rights that are written on licences. In the final analysis we manage the fishery to ensure a fair distribution of opportunity.

I am told that in the Canso area traditionally a small number of P.E.I. based boats fish there, but this year because of the bonanza nature of the tuna fishery a much larger number of P.E.I. based fishermen wanted to fish off the Canso area in a different region.

I repeat, P.E.I. and gulf fishermen have done very handsomely this year in the tuna fishery, and last weekend alone $.5 million worth of tuna was landed in eastern P.E.I., because that fishery has been very abundant.

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THE ENVIRONMENT

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is for whoever is acting for the Minister of the Environment today.

Tony Hodge, one of the authors of the Great Lakes great legacy study said on *Midday* today that his greatest concern is that federal politicians are just reacting to polls, that they do not understand the depth of the problem.

The public does understand. If, for example, it is going to take $40 million in Windsor and between $60 million and $70 million in Thunder Bay for sewage treatment, would the public not understand that $55 million is not going to go very far? Would they not conclude that this government is engaged in cynical propaganda or that this government consists of a bunch of ecological nincompoops?

Some Hon. Members: Both.

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, the hon. member's criticism and that of the author whom he quotes would perhaps be justified if we had behaved as the opposition does, namely, respond to critical questions like that every time there is an article in *The Globe and Mail* or *The Star*.

The fact is that since 1984 and leading up to 1987 significant action was taken. Just two days ago we announced a $125 million program with three tasks attached to it: remedial and preventive, as well as a health study.

Let me quote another author of the report, Mr. David Reynolds, who said: "We, frankly, do not know what all this means to human health". He said: "Little research has been done on the long-term effects of chemicals on the 35 million Americans and Canadians who live in the basin".

There needs to be some advance work done to find out just what the problem is. I have already told them that in the case of sewage being discharged into the Great Lakes it is the principal responsibility of the municipalities which will just simply have to readjust their priorities in terms of the management of their affairs.

Mr. McCurdy: Mr. Speaker, I guess the hon. minister does not understand that $40 million and $60 million just does not add up when only $125 million is the total budgeted.

Now, referring to *The Globe and Mail*, how about the upper Great Lakes Connecting Channel Study that said there should be great emphasis placed on such connecting channels as the Detroit River.

Having read that, as I am sure the minister has, how could he explain the fact that Darrell Pekartz from Environment Canada, meeting with the Binational Advisory Council preparing the remedial action plan for the Detroit River, told them that the Detroit River is unlikely to get funding from this program over its duration. How does he explain that? That is not in *The Globe and Mail*.

Mr. Oberle: Mr. Speaker, I cannot confirm or deny what one or another official of a Canadian government agency may have said to another agency.

All I am telling the hon. member is that if he examines the record he will find that significant action is taken. A commitment is made by the Canadian government and has been in place. Action is taken in all areas of the Great Lakes and in particular in those areas which fall under Canadian jurisdiction.

The fact is, as I said earlier, that the solution to the global problem is far beyond any one jurisdiction either in its regulatory capacity or in its capacity to mount the necessary resources, so we continue to mobilize the combined efforts of all those who have a stake in cleaning up the Great Lakes.

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AGRICULTURE

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, I have question for the Minister of Agriculture and his new-found assistant over there. It is a rather urgent question that I have for the Minister of Agriculture.

I have received many phone calls from farmers both in and outside my constituency who are counting on funds to be made available by the Prairie Grain Advance Payments Act. Not one farmer criticized paying the interest that will be required by Bill C-36. Saskatchewan farmers are willing to pay their share toward reducing our deficit. They want to know when our government will be in a position to provide farmers access to these funds that they so desperately need.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the hon. member can advise his farmers that the opposition's tactic of filibustering Bill C-36 is really, in effect, denying access to advance payments for crops and prairie grain.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: I would take this opportunity to call on them—and I ask the hon. member to contact his farmers and maybe they can call on opposition members—to stop their silly tactics and get on with the job of passing Bill C-36 so the mechanism can be available for farmers to take advantage of and to help them in the orderly flow of grain and other crops after harvest.

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AIR TRANSPORTATION

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, my question is for the Minister of Transport.

The two new runways proposed for Pearson International Airport will increase noise exposure projections in residential areas in the region of Peel. The minister's own department produced the NEP forecast upon which the city of Mississauga based its land use policies.

What assurances, if any, is the minister providing to my constituents that they will not be subjected to even more intolerable noise levels as a result of these additional runways?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I think that is a good question.

This summer I was in Toronto to make the announcement about the new runways. I think the member will remember that also this summer, at the same time, I said that a full environmental assessment would be made in terms of the involvement or implications of those new runways.

The final decision will be made in light of recommendations which will be given to me by the Department of Environment, having in mind that all consideration will be given to ensure that the quality of life will be the best for people of Mississauga, Etobicoke, and Brampton.

Ms. Guarnieri: Mr. Speaker, I wish I could return the compliment, but it is evident that this government plans to tax us into submission and then drown out our cries of protest with aircraft noise.

I have a supplementary question. When the minister announced plans to expand Pearson, he called for, and I quote: "an accelerated environmental assessment". The minister cannot disguise the fact that he is going to rush through an important environmental study just so he can get on with building his new runways.

• (1500)

Will the minister pledge to this House and the residents of my riding today that no runways will be built if the environmental assessment is negative?

Mr. Bouchard (Roberval): Mr. Speaker, I can first give the guarantee that all necessary measures will be taken to ensure that the environmental assessment will be the best.

The Minister of the Environment already said in a press release issued in Toronto this summer that it will be conditional on the acceptance by the Department of the Environment that the quality of life will be considered and that it will not represent any more damage for the people of Mississauga.

INDIAN AFFAIRS

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, my question is to the Minister of Indian Affairs. Canadian Armed Forces Camp Ipperwash on Lake Huron was seized from the Stoney Point Chippewas in 1942 under the War Measures Act. The government promised to return the land when it was no longer required for military purposes. Today the camp is used for cadets and militia; military personnel use it to store their recreational vehicles and as a summer recreation spot for their families.

My question to the minister of municipal affairs is when will the government return the land to the Chippewas and locate military and cadet training camps on sites that were not seized from their rightful owners?

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, I would like to advise the hon. member that Camp Ipperwash is being used for very important activities of the Department of National Defence, including for cadets and the reserve. We have no plans to make any changes in the present use of Camp Ipperwash.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, my question is to the Minister of Finance. Mr. Minister, you have asked the people of Elk Island and other parts of Alberta to change the manufacturers' sales tax. We want to know what is wrong with the old tax. Can we not just fix it up? What is so bad about a tax on production anyway? Why change it now? Why can we not just keep the old manufacturers' sales tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member is quite right. We have a manufacturers' sales tax and we are proposing to change that. The true reason why we are proposing to change this tax is that it is broken. It is not working. It is a drag on our economy. It is a hidden tax on exports, exports that come from right across the country including the hon. member's own riding of Elk Island. It is also a tax on imports that is one third less than on Canadian domestic production. For all of these reasons it is very important to change the tax.

In the last Parliament there were some proposals put forward to have an adjustment of the existing manufacturers' sales tax. The finance committee of the House of Commons was quite critical of this patch on the old tax. It is for that reason we believe it is important to move to a complete revision of the sales tax system.

* * *

PRIVILEGE

INDIAN AFFAIRS—QUESTION PERIOD REPLY

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, the Minister of Indian and Northern Affairs may have inadvertently misled the House when he indicated that the Chief of the Six Nations Reserve, Chief Montour, refused to meet him. In fact, when I checked with the chief's office, it was indicated that the minister had refused to meet with the chief until the children went back to school. I also checked with the minister's office and they gave me the same indication, that the minister had refused to meet with the chief until the children went back to school.

I want to give the minister a chance to correct the record and if, in fact, he wants to meet with the chief I will gladly act as an intermediary in this matter.

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, first of all, I have already asked someone to act as a mediator in this particular issue. It is Mr. Laforme of Ontario. If I do need additional help, I will count on my hon. colleague to help me.

With respect to the meeting, I had a meeting scheduled with Chief Montour. Obviously, there had been prior discussions for the children to return to school because both the inspectors of Labour Canada and Health and Welfare have declared the schools to be safe. Obviously the meeting was on the understanding that the children would be back in school and we would be addressing the situation of the new schools in a normal manner. The chief refused that condition, refused the meeting and it was cancelled.

Mr. Speaker: The Hon. Member for Haldimand—Norfolk has raised a matter. There seems to be some disagreement. The Minister is responding. It is not a question of privilege, but I hope the exchange has helped to clarify things.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, this being Thursday, I want to ask the government House leader if he will give us the customary statement setting out the business the government intends to call and present to the House over the coming week.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the parties. With respect to tomorrow's business, you will find that there is agreement that when Bills C-20 and C-18 are called, there is an understanding that there will be no dilatory motions put during the proceedings tomorrow in order that both those bills can be discussed.

Bill C-20 is at the report stage and I believe we are at the last of a grouping of motions for discussion. Bill C-18, the bill to create the multiculturalism and citizenship department, is very near completion. We expect that we will be able to complete second reading on that.

On Monday, October 16, we will devote the entire day to report stage of Bill C-21, the Unemployment Insurance Act amendments.

On Tuesday, October 17, and Wednesday, October 18, we will continue debate on second reading of Bill C-28, the income tax bill. In the event that the debate on Bill C-28 is finished on time on Wednesday, we propose to call second reading of Bill C-40, the new broadcast act which was just introduced today.

Thursday, October 19, is an allotted day for the consideration of any opposition motion and for passage, at all stages, of the 1989-90 supply bill.

Mr. Speaker: The hon. minister on a point of order.

* * *

[*Translation*]

POINT OF ORDER

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, in an answer I gave this afternoon to the Leader of the Opposition, I gave two figures, and I want to be sure the record is corrected in this respect. I said, in English I believe, that there would be 150 more cars per hour on Canadian highways after the changeover, while we now had 42,000 during any given hour between midnight and six o'clock. I may have said 142,000, in

English, but I meant 42,000 cars running at any given hour between six o'clock in the morning and midnight. Not 142,000 but 42,000.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY S. O. 81—PROPOSED GOODS AND SERVICES TAX

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

> That this House advise the government to scrap the proposed goods and services tax and implement a tax system which is based on the ability to pay and which includes:
>
> 1) a minimum corporate tax on profitable corporations;
>
> 2) taxation of capital gains income, with the exception of farmland sold for agricultural purposes, small businesses and principal residences;
>
> 3) the restoration of an inheritance tax on wealthy estates;
>
> 4) effectively progressive income tax; and
>
> 5) tax provisions which encourage environmentally sound practices.

Mr. Riis: Madam Speaker, now that we have had the first round of speakers on this supply day, there have been some discussions between the parties regarding the concept of rather than having 20 minute speeches and the 10 minute question and comment periods, we will have 10 minute speeches and five minutes of questions and comments and continue with the usual rotation.

Madam Speaker, I would ask that you seek unanimous consent to proceed in that fashion for the rest of the day.

The Acting Speaker (Mrs. Champagne): Do I understand that all three parties agree on 10 minute speeches followed by a five minute question and comment period?

Some Hon. Members: Agreed.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, although Parliament Hill is often well insulated against the sounds of the outside world, I think that if we listened closely we could hear the major rumblings of discontent from the rest of Canada. These rumblings, I would suggest are the sounds of the avalanche of discontent caused by this goods and services tax technical paper and proposed legislation that the government is trying to saddle Canadians with.

• (1510)

The force of those rumblings and the voices of Canadians from across Canada will shake the very foundations of this government, a government that has shown contempt for the people of Canada in the past and in this bill once again thumbs its nose at average Canadians. Canadians have had enough and they will not stand for it. I have received letters from a small smattering of those people from my riding. I am sure all members of Parliament on both sides of the House have had many, many letters. Let me give you a sampling from my riding. A letter from Grand Forks in the province of British Columbia states:

> This letter is to protest the implementation of the Goods and Services Tax. This is not the solution to reduce the deficit. I think the Government should control their spending, especially their special-interest spending, and determine their priorities. This could generate a lot more revenue without hurting everyone and creating such havoc.
>
> I, for one, have supported the Progressive Conservative party in the past, but will not continue to do so if you insist on this stupid course.

Another letter from Summerland, British Columbia states:

> —the complexity of the proposal boggles the mind. Surely a minister with your resources could come up with a less complicated, and more equitable means of raising taxes. I know that were I in your situation, the first thing I would do would be to reduce spending. Surely that is not beyond your capabilities!

Another letter from Penticton, British Columbia states:

> I have talked to many young and old, not one of these persons are in favour of this "tax grab". By adding 9 per cent, I for one will keep a real close guard on my pocket-book, and will buy nothing except the most needed.
>
> Please tell the government, that the majority of Canadians *do not* make the kind of moneys the MPs do.

Another letter from Penticton states:

> Mr. Wilson, you missed the boat on this one. Once again the government has underestimated the durability and tolerance of Canadians—
>
> In the United States I would be considered one of the silent majority. I go to work, pay my taxes, and try to save some money for my retirement without complaining. No more! I am going to do everything I can to stop this horrific tax. I will be joining every organization that is against this tax and use every legal means I have to stop this travesty!

Another letter from Grand Forks states:

> We have reached the point of saturation of taxes, whether it be federal, provincial, or municipal—.
>
> Between the high interest rates and our "fair" tax system we will surely join other Third World countries in "the rich get richer and poor get poorer and the middle class foots the bill".

From Oliver, British Columbia, this letter states:

> —it is hereby requested that your government take a more common-sense attitude in your efforts to decrease the federal deficit. A most worthy step would be to realize we, the taxpayers and citizens, keep the government operating and it does not bode well when we are asked to take less, while we become painfully aware of your government's excessive spending habits.

A letter from Okanagan Falls states:

> —I do think that it could be something for someone to give very serious thought to and maybe sometime, somehow, something MIGHT develop to free the "little guy tax slave" from his oppressors and their idea of getting all that they possibly can for themselves and "friends" all the while in doing so the low income people of this country are pushed deeper, and deeper, down into the muck of poverty. Is equitable treatment for ALL too much to ask, or expect? Whatever did happen to the concept that no one should be expected to pay other than what they were able to pay?

Also I have a letter with respect to the goods and services tax and how it will affect a business person from Penticton who states:

> As a former member for 30 years of the Federal Progressive Conservative Party, I must now speak out against the government which I, as a small business person, feel has totally lost touch with the people of Canada.

Those are simply a smattering from the mounds of mail that I have received from my riding and throughout Canada as small business critic on what people in Canada think of this particular technical paper and the proposal of a 9 per cent goods and services tax.

The government has promised simplicity. What did they do? They have snowed under the small business community of Canada. That is emphasized by the Canadian Federation of Independent Business which has insisted that the government go back to the drawing board, scrap the present tax, and get down to some serious thought as far as tax reform goes.

The small business community cannot take another kick while they are down. I am from the riding of Okanagan—Similkameen–Merritt where, to be parochial, we have been hit hard by the GATT. We have been hit hard by the free trade agreement in our industries with respect to agriculture. Added to the top of that, our tourism industry, which is one of our largest growth industries in the province of British Columbia and certainly in my riding, has predicted the loss of 400 jobs. Across Canada we are told by the tourist associations that there will be a loss by 1994 of $1.3 billion from the revenues of tourism. That is a loss predicted of 30,000 jobs Canada–wide.

We in the Okanagan—Similkameen—Merritt and boundary areas are dependent on the small business sector. We are dependent on tourism. We cannot afford another kick while we are down. We cannot afford this goods and services tax in that area.

As we travelled across Canada on the finance committee, we heard from restaurant associations that stated they will lose 40,000 jobs with massive amounts of money. We have heard hotel associations representing major hotels state that there will be business losses and business failures in the major centres. We heard hotel associations from smaller communities tell us that they are very price sensitive, that the small communities, the small mom and pop operations are the operations that will go down as failures in today's economic climate created by the goods and services tax.

These people are barely eking out a living now. To kick them while they are down when they are finally rising up from the problems in 1981 is not only unfair, but it is despicable. It is terrible that we have to put up with that in the Okanagan—Similkameen—Merritt and boundary country. In that area we do not need the goods and services tax.

I would suggest to you that not only do we not need it in my riding, but the story is the same if you go to the Yukon territories where they depend on tourism. It is the same in Prince Edward Island where there is an agriculture and tourism base. It is the same in Newfoundland. It is the same on Vancouver Island. It is the same throughout the prairies and central Canada.

We cannot stand to have any further kicks while we are down. We cannot stand it in the tourism industry or in the small business sector. The seniors sector, once again, is an area that will be hard hit. *One Voice* has told us that they cannot see the goods and services tax going through as it is slated. They are diametrically opposed to the very concept of this because it is regressive. That again hits my riding.

Before I complete, let me just read a small section from a statement by the Economic Development Corporation of Osoyoos and area. Osoyoos is a small border town. The Economic Development Corporation is trying hard to assist that community in the business sector. They state that it is the organizations' hypothesis that the goods and services tax will significantly encourage residents to shop in the United States, therefore, significantly hurting local retail businesses and economy.

I think that for much of the 100 mile corridor across Canada that borders on the United States we have seen the evidence of that over the past three weeks before the Finance Committee. There will be a flood of our economy down into the United States and we in Canada cannot stand for that. We have alternatives, and hopefully I will be asked for some of them during the period for questions and comments.

• (1520)

Canada cannot and will not go along with this goods and services tax the government is proposing.

Mr. Harb: Madam Speaker, I congratulate the hon. member on his presentation.

This morning we had a press conference where we were calling on all of those people who are opposed to the goods and services tax all across the country to join us in a pre–Hallowe'en rally in front of Parliament Hill at noon on Monday to tell this government about their feelings *vis–à–vis* this regressive, hidden and inflationary value added tax.

Over the weekend I was looking at an article in the *Financial Post* dated October 24, 1988. In this article were some examples of what happened in certain parts of Europe. In Belgium, the equivalent to the goods and services tax is approximately 25.5 per cent; in France, it goes up as high as 33 per cent; in Greece, it goes as high as 36 per cent; in Italy, 38 per cent, in Portugal, 30 per cent, and in Spain, 33 per cent.

Does the honourable member think that this government is going to be a lot better than those in Europe and will not be tempted to increase this goods and services tax over the years to reach 20 per cent?

Mr. Whittaker: From the studies that I have seen, it is clear that in all the countries that have brought in the goods and services tax, within months of bringing in that tax the rate was increased. The latest example from New Zealand is that it went from 10 per cent to 12.5 per cent.

I think in every case not only have they raised the tax that they brought in originally, but they increased their spending to meet the cash cow effect, so what we have is a situation where the governments spend more as they get it in, and look less at what their expenditures are.

It is undoubtedly a fact that if this is brought in, as is often proposed by some of the government's friends in the manufacturing sector, and we broaden the base, bring in foods, do away with exemptions, and if we lower the rate, it is simply a matter of time before the rate is raised up. I think all of the people who have appeared before us in committee have agreed to this.

The inflationary factor that is involved in any level of goods and services tax, particularly the one at 9 per cent, will probably be double what the government has originally told us. The spiral effect of inflation which the government has not taken into consideration due to increased prices and increases in wage demands will have detrimental effects on all of the economy of Canada with a probable increase in the value of the dollar and an increase in the level of interest rates. We will have total chaos and perhaps a major recession as a result of this.

Mr. Lee Richardson (Calgary Southeast): Madam Speaker, when this government came to office in 1984, it was faced with a corporate tax system that was riddled with special deductions, exemptions, and credits. The result was a fast-eroding, federal tax base on the one hand, and a corporate sector that was being given all the wrong economic signals on the other hand. A large part of corporate resources and ingenuity was going into minimizing taxes through a plethora of government incentives. The Canadian corporation had lost its way and in fact had been lured into the woods and up the creek by the former government.

Corporate resources would have been better applied to resolving real corporate problems, such as developing more and better products for existing domestic and foreign markets. Instead, they were induced by the former government to scurry after crumbs in the form of incentives, incentives paid for by the average Canadian. The damage done by this policy to the economy was obvious. Large numbers of ventures failed once the incentives either ran out or became insufficient to support uneconomic businesses and large amounts of public funds wasted on schemes such as the scientific research tax credit—quick flips.

Even more distressing was the fact that these special incentives were so attractive that they mounted year after year, much faster than they could possibly be used. This created a tremendous incentive for taxpayers to create intricate mechanisms and schemes to sell unused tax credits and losses to profitable taxpayers.

The credibility of the tax system was in grave danger as a result of this progressive degeneration. The former government not only encouraged this behaviour, they made it impossible for even the best business people to avoid seeking such devices. The danger was not only that corporations would continue to play an increasingly smaller role in providing their share of support to funding public programs, but that individual taxpayers would react to basically an unfair situation by going to great length to minimize their taxes as well.

It does not end there. Socialist members have often raised the fact that the corporate sector's share of government revenues has fallen over the years. This is only partly true, and to the extent that it is, it has not been due to any shrinking of public responsibility by Canadian businesses as other parties suggest. In fact, as a proportion of corporate profits, corporate taxes have not changed significantly over the last quarter century. What did fall was corporate income as a percentage of total income. The reason corporate income declined in importance is that this sector was led down an unproductive path by the former government.

Our government was, therefore, faced with a fundamental choice in 1984. Leave the basic system in place with all of its structural faults and fast eroding base and offset it with a minimum tax, or go to the very heart of the problem by repairing damage inflicted by the former government and restoring stability to the tax system. We chose the latter and embarked upon a program of

corporate tax reform which began with a moratorium in 1984 on that great waste of your tax money, the scientific research tax credit—quick flips. This process continues to this day with the introduction of the large corporation tax in the April 27, 1989 budget.

In between, the more important measures have included the termination of the scientific research tax credit, that fitting example of what the opposition stands for; measures to prevent a variety of schemes to transfer tax losses from non-profitable corporations to profitable corporations, schemes encouraged by the policies of the former government, the reduction of accelerated capital consumption allowance rates across a broad range of capital goods and industries; the elimination of the general investment tax credits which proved to be such a failure in producing real wealth; the reduction of a variety of special purpose investment tax credits; an increase in the rate of taxation of capital gains; the introduction of a corporate surtax; the introduction of put-in-use rules to limit the use of deductions where taxable income is not forthcoming; removal of the inventory allowance; curtailment of the use of the leasing to transfer benefits for accelerated capital consumption allowances from non-taxable entities to profitable firms; and a creditable tax on large deposit-taking institutions.

The benefits of this approach to tax reform have been significant. We now have a broader and more stable corporate tax base which ensures that corporations, and especially large corporations, pay their fair share. In total, these measures will provide well over $2 billion in new tax revenues and will help provide the government with the funds it needs to deliver essential services to Canadians. Just as important, the changes to the tax system have turned the corporate sector's attention back to basic economic fundamentals and away from devising complicated ways to avoid tax. This is critical if our firms are to be able to compete in increasingly tough world markets.

• (1530)

What would the opposition have done? What do they propose? A minimum tax, a tax that would leave the old, inefficient and unfair system in place, and try to cover it up with a mechanism which would be very difficult and complicated to administer. Canadian corporations would continue to pursue complicated schemes to avoid tax and then pay a minimum tax as an afterthought. Even worse, this minimum tax would have been an unbearable burden to small and medium businesses just barely scraping by as it is. Inefficiencies and unfairness would have persisted and all Canadians would have suffered.

The right approach is to fix the system, not compensate for it. The right approach is to provide a fair and efficient system of taxation. That is what this government did.

Mr. Walker: Madam Speaker, I was very interested in the comments of this Conservative member as he tried to wind his way through both a defence of a fair tax system and a defence of his own tax system, which I think is basically a contradiction.

There are two things I would like him to address. Given that this is supposed to be a new and fairer tax system, I am a little curious as to why the government now feels that children and students should be heavily taxed. As we know, everything that a child now buys, under the GST will be taxed. As well, students for the first time in our history will be taxed. Their books will be taxed, their food at the universities will be taxed, and their lessons will be taxed.

One of the interesting contradictions in this system is that when somebody goes to a stockbroker, they do not pay tax when buying stocks, but if they decide their child needs to see a psychologist, they have to pay tax on that. I just do not quite understand why a child psychologist is less important than a stockbroker. Perhaps the member has a better insight as to the fairness in that particular system.

I think that nowadays students, particularly part-time students, cannot raise enough funds and they continue to go to school for five or six years to gain their 15 credits. A lot of them are women who choose to return to the work force, and others are single parents to whom this is an additional expense. Because women usually end up at the low end of the labour market, they earn between $4 and $5 an hour. If they are now going to pay 9 per cent more on everything as students, how many hours do they have to put in just to pay the government? It takes a lot of time, and I do not think the Conservative members have given any thought to the absolute unfairness of taxing children and taxing students. Perhaps the member can show us some insight in the next minute as to exactly what is so fair about this.

Mr. Richardson: Madam Speaker, I think one of the things this government has given a lot of thought to is the $350 billion debt created by the former Liberal government. We have to get a hold on this. The country cannot continue to go on living beyond its means.

The hon. member mentioned the cost to students going to university. Canadians are very fortunate in this country to be able to go to university and pay a small amount of the actual cost of their education that they do. We can only continue to support students going to university and support the wonderful social programs we have in this country if we get our financial situation under control.

One of the fair ways of doing it is the way that 48 countries in this world have done it, including five out of seven countries of the G–7, the largest industrialized countries of the world. The only two countries of the G–7 yet to bring in a goods and services tax are Canada and the United States. The United States is looking at it now. We would like to be a leader in North America, as we have been, in tax reform. To be internationally competitive in the world, to continue to be able to pay for social programs that our government has brought in, to continue to provide these services and balance the budget in this country, we obviously have to increase the revenues to be able to pay for them. The experience in other countries has been that this is a fair system. It is not a regressive system. We have introduced an addition to the program in this country where we will provide tax credits to lower income Canadians, to the extent that those in families with incomes of less than $30,000 will actually be ahead of the game in terms of taxation under this GST system. It is a fair progressive tax and one that will help us reduce the national debt in this country and get this country back on its fiscal feet.

The Acting Speaker (Mrs. Champagne): A point of order, the hon. member for Winnipeg North Centre.

Mr. Walker: Madam Speaker, I would like the member to clarify the record. I think he mistakenly said that there is $350 billion worth of debt created by the opposition. Perhaps he would like to explain exactly what was meant by that.

The Acting Speaker (Mrs. Champagne): The hon. member rose on a point of order. I think the point that he made is a question for debate which certainly could be debated with the hon. gentleman. It is not a point of order.

There is still one minute to go in the period reserved for questions or comments. I will allow the hon. member to conclude.

Mr. Richardson: Madam Speaker, I think this is another myth that may be masqueraded along with this circus that the hon. member from Ottawa is going to conduct here later in October.

The Liberal answer to dealing with the economic problems of the world is: "Let's have another circus. Let's have a masquerade before Hallowe'en".

Let me answer the member's question about who created the deficit in this country. Over the past 15 years, during the Trudeau government, I can recall going out to the opening of senior citizens' homes and saying, "Isn't this wonderful that the federal government is providing financing at 2 per cent mortgage financing for these seniors' homes, for these seniors who have done such a wonderful job of creating this country for us". Well that sounded great at the time, except that they did not pay it off at the time. We have got 25 and 30 year mortgages created by the Liberal government on seniors' homes all across this country at effective 2 per cent mortgages that taxpayers today are paying for and will continue to pay for for 25 years.

The Acting Speaker (Mrs. Champagne): I must interrupt the hon. member. His time has expired. Resuming debate.

Mr. Ron MacDonald (Dartmouth): Madam Speaker, I rise to join in the debate on the motion by the member for Yorkton—Melville. It is an important motion and I am glad it is on the floor for debate today.

Over the last number of weeks and months the nation's attention and anger has turned to the government policy called the GST, the goods and services tax.

Today, we are debating a motion by the hon. member which calls upon the government to scrap this tax. Earlier in the day, the members of this House were treated to one of the finest speeches I have heard since I have been elected in this House and, I am sure, one of the finest speeches in the last number of years, from my colleague for Ottawa South. He spoke eloquently about the concerns that Canadians have with this very flawed proposal, this veiled attempt at tax reform.

This latest Tory tax grab, which has been called the GST, proposes to bilk $26 billion from Canadians' back pockets. The government, before it introduced this particular goods and services tax proposal, and the Minister of Finance said that there would be a few principles underlining the new proposal that would be coming in. He said that the first principle is that it had to be a single-tier system. It cannot be a multi-tier system. He struck out on that count.

What we have now, in the words of John Bulloch from the Federation of Independent Business, is a nightmare on Main Street. This government is prepared to put a piece of legislation before this House that, if adopted, is going to cost the small businessman and woman across Canada up to $7,000, according to one of the estimates, in compliance costs with a system that is going to duplicate an already cluttered sales tax system across this country.

He also said, time and time again, that this new sales tax would be visible. But then he had to stand here in the House and look sheepishly at his feet when he told the House that there was no way that he could make this tax a visible tax. He struck out on that count as well.

He also said that the tax was going to be revenue neutral. He talked about the unfair manufacturers' sales tax that was taking in $18 billion in revenue. He called it a killer of jobs. Well, earlier today, one of the members on this side of the House, in response to a speech from a government minister, let that minister know that it was this very government that took that 9 per cent manufacturers' sales tax and hiked it to 13.5 per cent.

He has also said that any of the additional moneys raised will be given back in rebates, but that has been shot full of holes time and time again as presenter after presenter appears before the finance committee in its travels. He struck out on that count.

He also said that the over-riding principle of realistic tax reform is that it must be fair. Well, I am going to show him in the next few minutes that he struck out on that count as well.

Before I do that, I want to talk a little about the crippling effect some of the other budgetary measures of this government has had on the regions, particularly Atlantic Canada.

• (1540)

Over the last number of months we have seen this government show a complete disregard for the principles of wealth redistribution and equalization. We have seen this government hell bent on pursuing a course of dividing this country between those who have and those who have not. One of the documents produced by the government's own agency, the Atlantic Canada Opportunities Agency, put it quite clearly in a leaked document that the government did not want to go public. Some Atlantic Canadian working in that office had the good sense to see that this report had to go public and leaked it. This is before the GST proposal came forward. It stated that, "the measures introduced in the budget of the Minister of Finance in the spring of this year will cost an additional $200 million in tax bites against corporations, large and small, and individuals in Nova Scotia alone."

We have also seen this government bring in programs to reduce the amount of money the Prime Minister had promised for regional development in Atlantic Canada. We have seen the Atlantic Canada Opportunities Agency have its mandate almost gutted, neutered, so that now any business venture over $200,000 no longer qualifies for direct grant assistance. We have seen the government cut back in established program funding to the government of the province of Nova Scotia to the tune of $70 million less than will be going into the coffers over the coming years. That money was earmarked for hospitals and for post-secondary education institutions.

We have also seen the government come in with uncaring, cold and vicious cuts to the unemployment insurance system. In a region that has perpetually suffered from the highest unemployment in Canada, the people of Atlantic Canada are going to suffer the most from those cuts. So much for compassion from the members opposite.

We look specifically at the GST and the effect on industries in the Atlantic. It shows that the policies that this government has adopted which are destroying the nation's fabric piece by piece, province by province, and region by region, are continuing.

The fisheries in Atlantic Canada has been brought to its knees by this government's policies that have allowed over-fishing, have shown no enforcement, and have left our fishermen and our fish plant workers, without work and without any prospects for a future.

One thing this government has done is to tax the fishermen's bait, the dead fish used by the few fishermen remaining who can eke out a living in the Atlantic fisheries. Those fishermen are now going to have to pay 9 per cent more on the cost of their bait. How cold, callous, cruel and misguided can this government's policies be?

Another industry that employs some 100,000 Atlantic Canadians is the forest industry. I checked before I came here today because I wanted to find out exactly what effect the GST would have on the independent man or woman who works in the forest industry, the self-employed woodsmen who go to cut pulp on private wood lots. What effect will it have? I called the information hot line. I was told that unless that individual has registered himself as a business, which I take to mean incorporate at a great deal of cost, he or she will have to pay an extra 9 per cent on the cost of his or her chainsaw, on the cost of gasoline that goes into it, on the oil for the machine. They will have to pay an extra 9 per cent on work boots, work gloves and work clothes. This is what the Minister of Finance calls fair.

The effect of this tax will be devastating on the tourism industry. The tourism industry in Atlantic Canada is one of those real creators of new wealth and new jobs.

In Nova Scotia alone over $760 million per year is left in our economy by tourists from outside Nova Scotia. Fully 76 per cent of the tourists who visit Nova Scotia and spend those dollars and create those jobs are Canadians, not Americans. Twenty-four per cent are foreigners, including Americans.

In response to a question in the House, the Minister of State for Tourism, I believe, got up and had the audacity to say he was concerned about the tourism industry all over Canada, including Atlantic Canada, so the government was going to have a generous rebate system for foreign travellers. How daft can he get?

If 76 per cent of the travellers are from Canada, that means 76 per cent of the money that is left in the province of Nova Scotia is left by Canadians. They are the same Canadians who are going to be driving down to Maine, to Massachusetts, and to Cape Cod by this government's regressive tax policy. Canadians now looking for a seaside holiday are going to be driven stateside, and that is where they are going to spend their money. There will be thousands and thousands of jobs lost in the tourism industry in Atlantic Canada.

Perhaps this is one of the little side deals he has done with the President of the United States to try to increase the tourism in Kennebunkport.

In conclusion, this government has betrayed and misled Canadians. It has taxed us from the cradle to the grave and I am sure if it could find a way to tax us in the hereafter we would be debating that as well. It has taxed haircuts, bingo cards, kids' chips, lollipops, swimming lessons and recreation. Seventy-eight per cent of Canadians say they have enough of this Tory tax grab. Ninety per cent of Canadian business has said the same thing and I join with my colleagues and the millions of Canadians in saying that this tax must be scrapped.

Mr. Richardson: I thought it might be nice for the hon. member to be able to join with millions of Canadians in something. It is nice that these fellows can be in a majority once in a while, as rare as it is.

I want to comment on the hon. member's speech. This sort of thing is not helpful to the whole basic issue. We hear this across the country. I have been travelling with the finance committee and I find that Canadians, once they have had an opportunity to read the proposal, as I am sure the hon. member would feel if he ever has an opportunity to read the proposal, understand that this is a very progressive broadly-based tax in the interest of all Canadians.

On no specific point did the hon. member really prove his point in terms of where these difficulties would arise. It is simply a question of him continuing to go on to raise these myths about the difficulty of the tax. When he raised questions about added input costs of 9 per cent for fishermen or whatever, at no point did he speak of the tax base available. Any business, small or large in the country, with regard to the GST, simply pay the tax on things they buy and get a rebate of 9 per cent from the government.

When the hon. member raises this issue I wonder where he fits in the income tax credits and input credits into his equation, in terms of receiving money back for all of those small businesses in the Atlantic provinces who now pay an average of 13.5 per cent, probably up to 19 per cent in terms of some of the equipment they buy, certainly vehicles. Nineteen per cent manufacturers' sales tax is the cost they absorb in their families and businesses now.

With the GST, there will be an input tax credit. They will pay the 9 per cent when they buy it and they will get a rebate of 9 per cent from the federal government. Essentially they will be further ahead, particularly as it relates to the western provinces and the Atlantic provinces which are resource based provinces. These provinces, because of the export potential, will come out ahead of the game.

The hon. member would be best serving his constituents to support this tax because it is in the best interest of Atlantic Canadians.

Mr. MacDonald (Dartmouth): Madam Speaker, I have listened to the illogical answer of the hon. member for Calgary Southeast.

• (1550)

I have listened to what you have said. Initially, what you told us in this House is that you travelled with the committee and that you have listened as well. I cannot believe the nerve of the members of the government who believe that 78 per cent of the Canadian public, obviously, are wrong. You guys must have a monopoly on all that is right and righteous. Seventy-eight per cent of Canadians have said that this is a tax that they do not want, about 90 per cent of Canadian business.

You could not even get one provincial premier, not even one of the few Tory premiers who are left, to agree to go in on this tax with you. We have heard officials from various governments who have said that this tax will destroy some of the resource based industries in their areas. When you talk about the fishery, you should go back, since you are defending your government's policies, and read it.

The fish bait that is used by fishermen is not eligible for a rebate and it is not eligible for an exemption. If you want to sit out back a little later, I will show it to you in the book. Maybe you can give it to your colleagues. I can also remember one of your colleagues who I think is the Parliamentary Secretary to the Minister of Finance, at a meeting in Halifax just a few weeks ago when he spoke to the Canadian Japanese Automobile Retailers Association, indicating in a series of four answers to four questions that there would not be a sales tax on the full price of a used vehicle.

Subsequent to that, I happened to call up the toll free number. I was told by a senior tax official that that was simply not the case. When you are telling me that I should listen, I tell you that you and your people should listen to small businessmen across this country and you should read your own documents before you get up and start pointing fingers at anybody in this House.

The Acting Speaker (Mrs. Champagne): Before we resume debate, I would like to point out to the Hon. Member for Dartmouth that the Chair has been quite patient. I know the hon. member has not been here for that long. He should not be addressing a member directly, but through the Chair. It would make things a lot easier.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Madam Speaker, I welcome this opportunity to speak to a motion by the Opposition, especially after listening to the Hon. Member for Dartmouth (Mr. MacDonald). I am surprised, Madam Speaker, because when I went to Halifax two weeks ago to attend a conference of members of CAJAD, he was there, and I thought that at the time he understood the point I was trying to make, which was that the federal sales tax was not a good thing and needed to be changed. I am surprised, because everyone there was in favour of the change, and to answer his comment about used cars, what I said at the time is still valid today, namely that the tax on goods and services does not apply to the price of used cars sold by a dealer but to the difference between the price paid by the dealer for the used car and the dealer's selling price, because when he sells the car, the dealer provides goods and services, and that is what we want to tax. So the Hon. Member should go back to his books and listen carefully to what he hears at conferences.

Madam Speaker, I would like to provide some background. I know many people in my own riding regularly listen to the proceedings at this time of the day, and I would like to give some background information on the Opposition motion—

Some Hon. Members: Oh, oh!

Mr. Vincent: If Hon. Members opposite would care to listen with the same courtesy I showed them, it would be better for all concerned, Madam Speaker.

The motion reads as follows:

That this House advise the Government to scrap a proposed goods and services tax and implement a tax system which is based on the ability to pay and which includes:

This is where it gets interesting, Madam Speaker.

(1) a minimum corporate tax on profitable corporations;

And we all know that the Budget includes a tax on capital.

(2) taxation of capital gains income, with the exception of farmland sold for agricultural purposes, small businesses and principal residences;

Madam Speaker, there is already a capital gains tax in Canada.

(3) the restoration of an inheritance tax on wealthy estates;

What is a wealthy estate and when is it not wealthy, Madam Speaker? That remains to be seen!

However, the Opposition forgot to mention the federal Government's previous experience in taxing estates or, since you are from Quebec, that province's experience in taxing estates. That experience led to a single conclusion, namely that the cost of organizing and administering estate taxes was about equivalent to the amount of money collected.

So on the one hand, they say they want to clean up government finances and cut red tape, and on the other hand the Opposition wants us to hire people to produce more red tape. That is their position!

(4) effectively progressive income tax;

In 1988, Madam Speaker, Part I of the tax reform provided for three tax brackets instead of ten. In fact, it did even better. It changed everything that was called an exemption. Under the old Liberal regime, two individuals, one earning $10,000 and the other $100,000, both had the same exemption, say $3,000, at the end of the year. For the one earning $10,000, it meant $300 or $400 less tax to pay, whereas it was a saving of $1,500 for the one earning $100,000. At that income level, the tax rate makes a $3,000 exemption worth much more. We took all that out. Now we say: Whether you earn $10,000, $25,000 or $100,000, you will have a $1,000 tax credit. We replaced all two pages of exemptions under the old Liberal regime with tax credits. That makes the income tax system not regressive and benefits low-income families and individuals compared to high-income earners.

You see, Madam Speaker, that is the fourth point; it has already been done.

5) tax provisions which encourage environmentally sound practices.

We see the Opposition's hand in that, Madam Speaker. When you don't know what to do with an issue, you give incentives like the scientific research tax credit. It cost Canadians three or four $billion. Instead of taking money, giving it to company *x*, which will have to report by deadline *y* on the amount of money *z* given for scientific research, they created tax credits, which cost billions.

It is the same thing for the environment, Madam Speaker. It is a measure which gives you no way of knowing in advance who will benefit, to what extent, how and when. That is just like asking the Government to throw money out the window. That is what item 5 of the motion does.

In the last five years, Madam Speaker, this Government has done much more for the environment than the former Government was able to do. The Minister of the Environment continues his excellent work. We will not solve environmental problems with tax measures.

Madam Speaker, when we look at this motion, we see one thing. We see that the Opposition is not only after the goods and services tax. No. It wants to undo the fiscal policy of the last five years. This fiscal policy has done two things. First, it strengthened the Canadian tax system and especially tax fairness, and second, it helped the Canadian economy make substantial progress over the past five years. That is what the fiscal policy of these last five years has done.

What did we do to improve the tax system? I said that we cut tax shelters, we cut the scientific research tax credit, we introduced a refundable federal sales tax credit for low-income families in 1986. That was innovative. Since 1986, the amount a family or individual receives annually has doubled and it will quadruple in 1991 with the implementation of the new goods and services tax. That is innovative and breaks with the old-style taxation of the present federal sales tax. That tax is 65 years old, Madam Speaker. Sixty-five is time for retirement. We want to retire that federal sales tax.

All the organizations that appeared before the Standing Committee on Finance said the same thing: The present sales tax is bad!

Mr. Gauthier: Yours is worse!

Mr. Vincent: It is bad!

Mr. Gauthier: Yours is worse—they all said that!

Mr. Vincent: People might want to see some changes made to our proposal. That is normal. But it is definitely accepted and more acceptable than the federal sales tax. My colleague from Ottawa—Vanier will definitely admit that, not here, because he is not in a position to do so, but I well know that outside the House, he will admit that the new tax is better than the old one, because he is an intelligent, sensible man. And especially, Madam Speaker, since the honourable profession which he practised before entering this House is not affected by the GST!

• (1600)

I heard the NDP Members talk about taxing companies, taxing individuals, tax, tax, tax. That is fine, Madam Speaker, but remember one thing: Canada is in a competitive international market. Therefore, the Canadian personal and corporate tax system must be competitive with rates in the United States, Europe and Japan. That is important—

An Hon. Member: With the United States!

Mr. Vincent: Yes, with the United States! Yes! It is funny how proud we are as a government and as a country to sell to the United States. Maybe the Liberal party is not proud of it, but it creates jobs here. You over there do not care about jobs. That is another problem. We care about employment. Come to Trois-Rivières; people there care about jobs! That is why it is important to sell to the United States and Europe.

Madam Speaker, I see that my time is up and I will respect your decision with great pleasure. In closing, I think that we must defeat this motion, which, as I explained, in no way fits the future that we want for Canada in the year 2000.

Mr. Harb: Madam Speaker, I have a question for the Hon. Member about the surtax that was introduced in 1985. At the time it was 3 per cent. A little later, it rose to 5 per cent. On June 18, 1987, the Minister of Finance said in the House that as soon as the new sales tax was introduced, personal and corporate income surtaxes would be eliminated. However, in 1989, the Minister of Finance said in English:

[*English*]

"At this point I do not want to hold this one out".

[*Translation*]

In 1987, the Minister of Finance said, "It shows.", replying that he would eliminate the surtax, but in 1989, when questioned by the Finance Committee, he said he could not eliminate the surtax— My question to the Hon. Member is as follows: If the Government really wants to go ahead with the GST as drafted, without discussions with the provinces and the various parties involved, will the Hon. Member continue to support his government's proposals in their present form?

Mr. Vincent: Madam Speaker, I have the benefit of four years' experience with the Department of Finance, and I can inform the hon. member for Ottawa Centre that the Conservative Government negotiated with the provinces for two years, but for various reasons no agreement was reached on a national sales tax, which would have been the ideal situation, everyone agrees. Now there is no agreement, but as I pointed out earlier, the present federal sales tax must be changed, and there is agreement on that. At least there is that.

Third, Madam Speaker, the hon. member forgot a very important aspect of the proposed GST. I can't blame him because I forgot to mention it myself. I am referring to the fact that after bringing the number of tax brackets down to three, we are now setting the second bracket at 25 per cent instead of 26 per cent, to improve the situation of low- and middle-income families. Madam Speaker, I think this amply compensates for the surtax that remains in place for high-income Canadians.

Mr. Gauthier: What about the temporary surtax?

Mr. Vincent: I just answered that question.

[*English*]

Mr. Butland: Madam Speaker, I have a question for the member for Trois Rivieres on free trade and the goods and services tax. In the province of Ontario tourism has gone down 8 to 25 per cent, including tourism in Niagara Falls. The bridge from Sault Ste. Marie, Ontario, to Sault Ste Marie, Michigan, is tilted—Canadians are flocking to the United States every day.

Two hundred and fifty thousand dollars per week is spent on groceries on the Michigan side; $2 million already has been spent in the first 10 months by Canadians shopping in the United States. The flow of money is going from Canada to the United States. Tourism here is way down. I say the playing field is not level and this goods and services tax will only exacerbate the problem. The circumstance at border cities is chaotic. It is a disaster.

Would the government, and hon. member personally, want to help out border cities? Would he perhaps exclude them from the goods and services tax? What sort of comment might he have to assist border cities?

[*Translation*]

Mr. Vincent: Madam Speaker, I think the comments by the Member for the New Democratic Party are very interesting, but I don't think it is up to the Government to do so. I think it is up to all Members of this House to pass the message on to Canadians that they should buy Canadian and support Canadian business. Madam Speaker, this is not a partisan issue. It is a matter that has an impact on all Members of this House. To save money, many Canadians prefer to shop in the United States, when they live near the border and generally speaking, this is bad for Canada. I think my colleague should be the first to stress this point and sell this philosophy to Canadians.

The Acting Speaker (Mrs. Champagne): Resuming debate. The Hon. Member for Ottawa—Vanier.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, it is high time we had this kind of debate in the House, and I think the New Democratic Party is to be commended for tabling a motion in the House that gives us an opportunity to spend a few minutes discussing tax reform, a discussion I believe is necessary on a subject that concerns all Canadians. Madam Speaker, we would of course have preferred to see our amendment accepted by the Chair, so that we could broaden the scope of the debate and get at the core of the problem.

Today, Canadians want to know first of all whether our tax system is equitable, fair and visible, and whether it is truly adapted to the needs of Canadians. In other words, whether it is modern enough to meet the demands of the 90's. We all agree that the system needs restructuring, that tax reform is necessary. That is why we made a suggestion this morning for thorough consultations with Canadians and the provinces, with a view to bringing about fundamental tax reforms in this country. We feel this reform, study or consultation should focus on personal and corporate income tax and on any other tax measures that may be used to pay our debts and enable Canadians to continue to enjoy the services and programs that were developed and introduced many years ago. We would like to see a system that is fair to everyone, that is simple, that is based on the ability to pay—in other words, progressive –, that meets the environmental demands of the day and helps provide for sustainable development. The four themes I just mentioned: fairness, simplicity, ability to pay and environmental demands are themes I think should be discussed across this country, because this is truly a problem that demands our attention.

• (1610)

I admit that the motion before us is concerned mainly with attacking the goods and services tax. In that regard, I will just say that I quite agree it is high time for Canadians to get the message across clearly to this Government: the goods and services tax proposed by the Conservatives is unacceptable in its present form because, we must admit, it meets none of the requirements, none of the criteria set by the Finance Minister himself. I will read those criteria to you! Not only the Finance Minister but also the Prime Minister in the 1988 election campaign said the tax had to be revenue-neutral, that it could not bring in more than the present tax, about $17 or $18 billion. It had to be visible, but it will not be; it will be as hidden as the present tax is. It will have to be set in cooperation with the provinces. It will not be! We know that; the Parliamentary Secretary admitted it himself. It failed, it missed the mark. The provinces left the negotiating table and said: No, your proposed formula is not acceptable. The new goods and services tax meets none of the criteria set by the Prime Minister and the Minister of Finance.

I remind you of some statements made by the Finance Minister. He promised a revenue-neutral tax in the election campaign, and I quote him:

[*English*]

"The bottom line is that the GST (the goods and services tax) will not be used to raise the revenues of the Government of Canada." He said that on June 19, 1987, on CTV News. The same minister said, "So again what we are trying to do is be, using your words, "revenue neutral", in the second stage as well".

[*Translation*]

Madam Speaker, they did not keep their promise. The Minister's own technical paper now being considered in committee shows that he intends to collect 5 or 6 billion dollars more than under the present tax, which is about 24 or 25 billion dollars. These figures are on the conservative side, because if we are to believe certain witnesses—I have here a letter that says the Federation of Independent Businesses maintains that the Mulroney Government will collect 15 billion more from Canadians. Fifteen billion is fifteen thousand million!

About visibility: we wanted a visible tax so that people will know they are paying *y* taxes on product *x*. There will be no visibility, because the government has said: legally, we cannot insist that the tax be visible on the bill.

However, the Minister of Finance (Mr. Wilson) promised the House a visible tax. On June 18, 1987, he said: "Sales tax reform will eliminate the hidden tax in the prices consumers pay". It says so at page 7634 in *Hansard*, but it wasn't true!

Two years later, on June 22, 1989, the Minister of Finance told the House: "Our legal advice is that we do not have the legal right to require a retailer to impose the tax extra to pricing, or to include it in the pricing".

Madam Speaker, businesses are not obliged to indicate the amount of GST on the bill, and so it will not be visible.

They told us: "Well, we will give them an incentive". Another broken promise!

They told us there would be federal-provincial co-operation. We will be the only federal system, the only Western country, the only Western developed country with a double retail sales tax: a provincial tax in most provinces except Alberta, plus a federal tax. This has an even more complex and damaging aspect, because the provinces will apply their sales tax on top of the tax imposed by the federal Government. It will be the sale price plus 9 per cent plus, in my own province of Ontario, 8 per cent. This will be a very heavy burden on low- and middle-income families, because they are the ones that will have to pay. I don't think it is fair to put this kind of burden on their shoulders.

After five years under the reign of this government—and in this context the word "reign" has a pejorative connotation—Canada's national debt has doubled since Confederation. On August 8, 1984 the Minister of Finance told the House: "We will reduce expenditures and refrain from increasing taxes, which are too high as it is".

And during the 1984 election campaign this same government kept repeating, and I quote: "Our immediate aim is to bring down the deficit by reducing expenditures, not by raising taxes".

Yet over the past five years the Conservative government has saddled the Canadian population with 31 tax increases. Interest rates have been fluctuating at an alarming rate. Low income Canadians are poorer than ever, the rich are richer than ever!

During the past five years under the Mulroney government, the taxes of a family with two children and an annual income of $23,600 have gone up by 60 per cent. The taxes of a similar family earning an average annual income of $45,000 have increased by 30 per cent, while those of the wealthy earning $100,000 a year are up by 8 per cent. A family earning $23,600, up 60 per cent; $45,000, up 30 per cent; and if you earn $100,000 your increase amounts to 8 per cent. Madam Speaker, I repeat that it is unfair.

I want to conclude my remarks by stating that we do need a reform, but first we must consult Canadians, we must get the provinces on side. We have to find a fair, equitable, open and simple solution. But the GST of this Conservative government will do nothing to help us meet the basic requirements of a system which runs well and is fair to everybody.

[*English*]

Mr. Hovdebo: Madam Speaker, I appreciate the succinct way the member defined what he considers a fair, progressive tax structure. I notice in passing though that he did not express his support for the five suggestions made in the motion before us.

• (1620)

Among everybody to whom I have spoken, and I guess generally across the country, there is a great suspicion that the price of everything will go up. The price of labour, goods and services will go up besides the tax being added on. There is also a suspicion that the manufacturing tax which is supposed to come off is unlikely to be passed on to the consumer.

This whole approach would add, as it has in Great Britain and in New Zealand, a considerable amount to the cost of living. Does the member agree that this is one of the real dangers of this kind of tax, that it will add so much to the cost of living and that it will be much more inflationary than is suggested by the government?

Mr. Gauthier: Madam Speaker, I appreciate the question.

I did not address the points in the main motion basically because I really believe that the approach of the New Democratic Party in this debate was a patchwork type of approach. I do not agree that we should be doing any patchwork.

Canadians are fed up with patchwork. This is what the GST does. It is just a patchwork approach to a very difficult problem that we will need to resolve together. I object to people wanting to impose upon us a patchwork approach which I took the motion that we have before us today to be, unless it was amended by my friend from Ottawa South who had a very good way of putting it into a more comprehensive, global context. I apologize if I did not address, in the 10 minutes that I had, all the issues of the main motion, but I did want to address the points that I believe are important.

To try to answer the question that was put to me, it is true that we have no guarantees from this government that it will ensure that the saving of the 13.5 per cent manufacturer's tax will be passed on to the consumers. That is true. The government will not legislate, I know, that manufacturers who are making the 13.5 per cent savings on their goods as of January 1, 1990—God forbid if it ever comes into force—must pass that savings on to their consumers. And that is one of the big problems because they won't. They didn't when Jean Chrétien reduced the tax from 12 to 9 per cent. The experience of this country is, beware, they do not pass these savings on, they just jack up the price and say that it is part of doing business.

I have to tell people also to beware of the shell game here. The 9 per cent will cost a lot more than the 13.5 per cent even though some of my Tory friends say that they are reducing it from 13.5 to 9 per cent. That is a lie. That is not true. On a piece of furniture—a rocking chair for instance—that is manufactured for say $200 on which we pay 13.5 per cent today—which is $27 tax—when that same rocking chair gets through the transportation network, through the marketing and the store sells it and adds on its profits, it will sell for $400. Well, 9 per cent of $400 is $36, so it will cost Canadians more, not less.

That is why I think it is time for this government to drop the idea of the GST and to come to grips with the real issues. It should ask Canadians what they want in terms of fiscal reform.

Mr. Milliken: Madam Speaker, I rise on a point of order. Today we are discussing the business of supply which is one of the essential functions of this House, and for which the government is accountable to the House of Commons. There is not a single minister of the Crown in the House, and I object to that.

The Acting Speaker (Mrs. Champagne): The hon. member knows very well that this is the type of remark that he should not make in the House, yet he keeps doing it.

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Madam Speaker, I am delighted to take part in this debate today. The goods and services tax is fundamentally important to every single Canadian, to the future of every Canadian.

We in this Parliament have a responsibility to pass on to our next generation a sound economy, a fair tax, and a country that can hold its own with its competitors in the world. I want to say that we should pass on a debt-free country.

I was going to say that we should pass on a debt-free country. Frankly, while the goods and services tax is going to help in this regard, we are saddled with that huge debt we inherited in 1984. The member said we have doubled the debt. Perhaps it has doubled but it is the service cost of that debt that has generated all of the present debt. That government set a pattern that we are having difficulty breaking away from and we are saddled with that huge debt.

In the short time that I have today I would like to talk about why we must replace the existing sales tax. We know that the existing sales tax distorts business, it is hidden from consumers. The hon. member from Vanier was talking about the hidden tax. I would dispute that this new tax will be hidden because, indeed, every single business that will buy must have it separated. This tax will be visible.

The problem with the old tax is that it is hidden. It penalizes Canadian producers. What a terrible thing to have to continue, and the opposition is not suggesting any other way around it. It is very complex. It is unreliable because people can make business decisions to get around the tax.

In 1984 we set down an agenda for economic renewal. The agenda for renewal spelled out in plain terms our government's priorities and principles, and described a clear policy framework directed toward job creation. And what a record we have. One and a half million more Canadians are working now than there were in 1984. The agenda described economic growth, sound fiscal management, economic efficiency and improved international competitiveness.

The plan focused on a strong private sector as an economic leader, on a compassionate social policy to help Canadians in need and on government being a creator of solutions and not one of the problems.

The goods and services tax is the result of extensive consultation and careful study that began way back with the White Paper on tax reform in June of 1987. Tax reform was to be implemented in two stages. In 1988 the government reformed its personal and corporate tax systems. The goods and services tax is the next step in this overall plan.

We are living today with a federal sales tax that was put in place in 1924, 65 years ago. How many changes have occurred in the industrial world since then? Then it was simple; manufacturers made the article and wholesalers sold the article. Now everything has changed except our tax. The world economy has also changed around us and Canadians have to change in order to meet the competition.

Today's business world is different. This difference has been recognized by nations around the world. Other nations have changed their tax systems. In fact, 48 nations in the world presently use a tax similar to the goods and services tax that this government is proposing. This is hardly a new invention, hardly something different that we are proposing here today.

The opposition would lead us to believe that Canadians are not able to handle the degree of complexity in the tax, but other nations in the world can. I do not believe that for a moment. I know that Canadians can indeed understand the tax if they are given a chance to understand it and they will, in fact, be able to work competitively in the world.

It has been clear to me for some time that many people, including the opposition, do not understand what is in this tax. In fact, from what I have heard today I know that is true. If opposition members meet constituents who do not understand it as well they do not care. They are quite happy to allow the misconceptions to continue in the constituent's mind. They are not trying to tell them the facts about the tax. They have not studied it.

The member from Dartmouth said "Study the tax". He said there is a 9 per cent tax on bait that can never be recovered. Every business in Canada can be taken to a tax free position through the application of the goods and services tax, even fishermen who pay a tax on their bait.

We have heard from the member from Vanier about the new goods and services tax being a tax on tax, that the Ontario tax will be a tax on the goods and services tax. Indeed, it might. I would like to make two comments. First, the leaders in the provincial world thought they would force the Government of Canada out of this particular field and not let it have a consumer tax simply by not co-operating. I am sure that the citizens of Ontario particularly—I will not speak for the other people across Canada—would want the two taxes. Indeed, the province and the Government of Canada will come to an agreement so that we will indeed have a joint tax down the road.

• (1630)

The member for Vanier also talked about the impact on the lower-income family. He did not bother mentioning the tax rebates that will go to these people and, indeed, give them more money when they are done than what they have at the present time.

Getting back to my topic, which is basically the federal sales tax, items that we buy every day are taxed right now. They include cosmetics, garbage bags, children's toys and kitchen utensils. Even food carries an impact of the federal sales tax. Other things in business such as office furniture and tools carry tax, even though many of those are supposed to be tax exempt. But there is an impact of federal sales tax that carries through in the cost of every single item that is made. It is there as a hidden aspect, but there as well as an added item at the end after manufacturing.

We should talk a little about who pays the present tax. It is suggested by many—perhaps not today for I have not heard anybody say it—that all the tax will come from the consumer. Consumers have forever paid the tax that is built in as a business expense. Indeed, if they pay the tax now, they will pay the tax later.

We have heard them say that the new tax will be 9 per cent on everything, like a tax increase. The truth is it will be very difficult for members opposite to show me any single item that will have a net increase of 9 per cent because there will be cost reductions. There will be competition in industries all over. There are businessmen on this side of the House—perhaps there are not too many over there—who know that competition does keep a lid on prices and will force the passing on of any savings.

The $17 billion in taxes that we collect right now are buried so deeply in production processes that they are virtually invisible to the majority of Canadians. Under the present tax we are taxing the business inputs of our companies which compete with companies around the world. This puts our companies at a distinct disadvantage, both here with respect to the price of products that we sell at home against imported products, and also against selling in other parts of the world. This unfairness in the tax is costing us jobs.

Let us be realistic. What country in the world would let a tax continue that shoots itself in the foot, that hurts itself in jobs and production? I do not think you can find many others, or any others, certainly not nations of equal industrial growth and ability like ourselves. We are committed to a better future for our children. Any member of Parliament representing constituents in the House should be supportive of such a move to preserve our current good life.

There is another negative aspect of this tax. Manufacturers can organize themselves to evade the tax. They can set up a manufacturing base and move all of their costs and future costs into another company to reduce the amount of tax that is applied to the manufacturing cost. So the present tax is not reliable.

This tax is supposed to cover some 75,000 firms, but indeed it is made very complex because there are 22,000 special arrangements with administrative interpretations. There is an increasingly larger number of court cases which are trying to define the tax as it stands now and show it will not produce the revenue that it does in the future because of this type of organization.

The goods and services tax will apply uniformly across a broad base of goods and services. The present tax applies only to 30 per cent of the products that are sold. This is a very narrow base on which to have a tax which is really, in its own right, a consumption tax.

It is certainly a great understatement to say that the present sales tax is inadequate. It is outdated. It is damaging our ability to compete in the world.

I see that I have come to the end of what I might say. Perhaps I diverge a little too much on the things that the opposition members have said.

Our government has faced and will continue to face economic challenges so that we can ensure Canada's prosperity in a competitive, ever changing world. We have a plan for meeting the challenge ahead. The plan is working. The goods and services tax is an essential part of that plan.

Mr. Hovdebo: Madam Speaker, I know that the member recognizes that a good portion of our production in Canada is exported to the United States and is used there to produce products which sometimes come in to compete with our products. Under this particular tax, any export to the United States will not be taxed. Thus, a manufacturing firm which uses Canadian products in the States will not have to pay this 9 per cent tax. However, a manufacturing firm in Canada which uses the same materials will have to pay the tax.

I know the member is going to tell me that it is going to be rebated, but many small firms and many productions, such as farm productions, have a cash flow problem to start with. That cash flow problem is going to be increased by 9 per cent. Would it not make much more sense not to have this tax in place and to be more competitive right from the start?

Mr. Brightwell: Madam Speaker, perhaps the hon. member does not realize that every manufacturing institution in Canada and the United States will indeed be tax free. There will not be any tax carried on.

He speaks about cash flow. He and I have a kindred interest in farming. That is one area in which I agree there will be forever a claiming back of rebates. Beyond that, in businesses where all products are taxed there will be a positive cash flow because each business will forever have money owing to government in its bank account and will indeed have more money and more interest generated from it.

Products entering from the United States will be as cheap as they are now. Because we compete on the market there, our products will be cheaper. In any case, a 9 per cent tax will be paid on both sides of this issue, imported and on Canadian-made products. It will be applied fairly, which I am sure is what the hon. member must want.

Mr. Speller: Madam Speaker, I must say I was somewhat shocked that a member of this House responsible for agriculture—in fact the chairman of the agriculture committee—got up in the House today and said nothing about the effects of the GST on agriculture.

I want to bring to his attention something that is in the finance minister's technical paper. It says: "Sales of farmland will generally be subject to the normal GST rules. Sales or leases of farmland will be taxable". In other words, a farmer who sells one quarter of a section of land to another farmer or, in fact, leases it to his son, will have to pay tax. What this does is it raises the input costs of farmers. What this tax does is give more paperwork to farmers. It also brings up a system of "the cheque is in the mail" syndrome. This is something that farmers will have to deal with.

I had the opportunity to see a number of farmers at our local fair. Farmer after farmer after farmer came up to sign petitions against this GST because they recognize that it is not good for agriculture. So I leave it to the member to get up and say something about agriculture and the effects of the GST on agricultural communities.

Mr. Brightwell: Madam Speaker, the hon. member should know that I know there are other things in life apart from agriculture, although I do spend a good part of my time in that particular area.

I have already acknowledged the fact that farmers will forever be claiming input costs. I have also said that they, like every other business, will be tax free. So this in and out aspect of the tax does not mean increased costs to the farmer who is renting the land.

• (1640)

I want to ask the hon. member if he spent any time explaining the tax to the people who came to his booth. I would like to suggest that this member fed on the misconceptions held by the people coming to the booth and allowed them to grow. He is not really trying to explain this tax to the people of Canada.

Ms. Audrey McLaughlin (Yukon): Madam Speaker, I rise in support of this motion today. It is a far-seeing motion that is part of real tax reform and which provides the alternatives that the Prime Minister has been calling for. Here are part of the alternatives to real tax reform.

I support this motion not just in support of my riding but in support of the people of Canada—the rights of the people of Canada to be free from a regressive tax grab and to see what real tax reform could look like.

First, I would like to make some comments on the manufacturers' sales tax which, as the previous speaker said, is an unfair tax. I would ask why this Tory Government raised an unfair tax from 9 per cent to 10 per cent to 11 per cent to 12 per cent to 13.5 per cent. In other words it raised this unfair tax since 1984. We can only take from that that in order to deal with an unfair tax this government has decided that it will make an unfair tax more unfair for every Canadian, whether it is to buy their children's clothes, a postage stamp or to bury someone. This is a tax that goes beyond the grave as well.

We have heard a lot today about the effects of this tax on various ridings. I would like to make a few comments today on the effects on those Canadians who live in our northern regions.

First, it is known that it is very expensive to live in the northern regions of our country. One of the issues I would like to address about this tax is the potential effect on inflation, which the government itself acknowledges. There will be an inflationary aspect to this tax, some 2.5 per cent according to the government, but to other analysts it will be beyond 3 per cent. There is no tax rebate, no tax credit to compensate northerners, farmers and those who are living in poverty for the inflationary effect of this proposed tax.

I would like a northern resident to say that the cost of living in the north ranges from 25 per cent to 50 per cent higher than southern regions, and in some remote areas in the Northwest Territories it is as much as 75 per cent to 100 per cent higher. We are going to see a situation where residents of northern areas suffer not only from the inflationary effect but also from the tax itself.

As you know, Madam Speaker, many of our goods—virtually all of our goods—from food to processed goods are trucked in or flown in. Northerners are going to be hurt particularly by the added transportation costs when the tax comes on to transportation as it is proposed. This will affect not only those of us in northern Canada, the Yukon and the Northwest Territories, but all northern parts of the provinces and indeed all rural areas which are reliant on these forms of transport. Of course, cutting VIA Rail will be another severe blow to those areas that have relied on the rail system for delivery of those goods.

The 9 per cent means that we will be suffering greater tax hardship than our counterparts in the south. I want to give some specific examples of that. For example, based on Statistics Canada data it is estimated that the average family in Whitehorse, in my riding of the Yukon, will pay $500 more per year than a southern family with the tax increases. Whereas the average Canadian family may anticipate a tax increase—and it is a total tax increase of $2,000 a year—a northern resident can anticipate an increase of approximately $2,500.

Another increased cost to northerners will be the taxes mentioned on transportation. Northerners travel more. They have to, not just to visit family and friends but for medical reasons and to do business. For example, the average Yukon family spent $662 on air travel in 1986 compared with the Canadian average of $211. That is almost three times as much. I want to remind the House that that amount is for essential services which include medical care, business reasons and so on.

What the GST means is that this family will pay an average of $40 more as compared with a southern family on increased air fare alone.

As everyone knows—and even the Hon. Minister of Finance knows—it is much colder in the north. It is much darker in the north beginning this time of year. Therefore, we use more oil, electricity and natural gas, as do other Canadians, but we use more of it than do other Canadians. In Whitehorse the average resident spends $638 on home heating fuels alone. That is compared with some $400 for the rest of Canada. Nine per cent of $638 obviously is more than 9 per cent of $425.

This tax will cost northerners more. This tax is a penalty for people living in our northern regions.

Let me make it clear that I do not in any way support this tax or this form of regressive taxation. That is why I support the New Democratic Party motion which proposes real alternatives and real tax reforms.

I was interested to hear during the hearings of the committee in Whitehorse one of the government members of the committee propose that there would be an adjustment made to the northern benefits allowance to compensate for the increased burden of taxation which may fall as a result of this proposed goods and services tax. I would certainly be interested in hearing more details on that as we have found with the northern benefits tax, which I know is under review at the moment, there are still many loopholes. There are many problems with people in claiming the benefits that they are entitled to under that format.

Northerners know that this tax is unfair, not just to them but to all Canadians. The biggest problem, as I said, is that this is a regressive tax. It is tied to the amount of money people spend and not to their wealth or incomes.

Clearly the poor are going to be hit harder by this increased consumption tax. It violates the principle of taxation according to ability to pay. It continues to shift the burden from the large corporations to the consumer.

There are alternatives, and we mention some in our motion. I would like to add a few.

There must be a comprehensive restructuring, as I have said and as we indicate in our motion, of the tax system. For example, there should be an annual net wealth tax. People should not be taxed strictly on their income but on what they own. Net wealth is the best measure of an individual's ability to pay. There are estimates that this could bring at least $1 billion in revenue to the government.

The former speaker talked about the deficit. As we know, a decrease in interest rates of 1 per cent would immediately add $1.6 billion in revenue for the government. Clearly, the calls for a decrease in interest rates—a call by all Parties on the finance committee—could be a measure which could result in an increase in tax revenues as well.

We can limit as well corporate interest deductibility. As I said earlier, with the goods and services tax there will be a tax on stamps and on children's clothing, but there are to be no taxes on the interest on the money that large corporations borrow for mergers and takeovers or, indeed, on any merger or takeover. Stockbrokers are free from having to pay the tax. I think it would be of small consolation to a single parent trying to raise a family and trying to pay for housing to know that stockbrokers' transactions will not be part of this taxable system.

We can raise income tax for the highest earners. The latest statistics already indicate that the luckiest Canadians are those who make over $125,000 a year because they are still those best favoured by our tax system.

We can also eliminate the $100,000 tax free capital gains exemption, except for farms, family businesses and private residences, which would bring in some $600 million in government revenue.

Protection of the environment is the number one issue today. I have seen nothing that indicates that the government has done an environmental assessment of this proposed goods and services tax. What will this mean for the purchases of environmentally-friendly products?

• (1650)

An environmental tax on the other hand would work toward solving two problems—protecting our environment and creating tax revenues. We need a genuine minimum corporate tax.

These are just a few of the suggestions for tax reform. What this government must realize is it cannot continue to shift the burden on to the poor and middle-income earners. It cannot continue to have support from the Canadian people. It cannot continue to call this tax reform.

Madam Speaker, today we are proposing some elements of real tax reform. I urge all members of this House to support this motion.

Mr. Murray W. Dorin (Edmonton Northwest): Madam Speaker, I appreciate having an opportunity to speak on this motion, especially as someone who has spent the last three weeks hearing representations from people both here in Ottawa and in other parts of the country.

I notice that this motion essentially calls upon the government to abandon its efforts to reform the federal sales tax and to do other things. I would say that unfortunately it appears that the members who are proposing this motion have not been listening to the groups which have been coming and speaking before the finance committee.

Quite frankly, what I can tell you and other members of the House who may not have been free from their other duties to come and observe all of our committee meetings is that, for the most part, about nine out of ten groups that have come before the committee have endorsed the concept of a value added tax, or a goods and services tax.

In almost every case they have had particular measures that they want changed or done differently. We can look at small business, for example. Mr. Bulloch spoke on behalf of small business. He said there was no other solution to the problem but a type of goods and services tax. He was unequivocal about that. He wanted the provinces to be part of the system so that there would be one system in Canada rather than two, but he had no doubts about a value added tax.

We had a representative from the National Council on Welfare, Mr. Ken Battle, who came and told us that the proposal put forward by the government is superior to the system that is in place today, a system, I might add, that has been there since 1924. He had some concerns with regard to the credits and the indexing of the credits, but comparing the proposal to the existing system was a positive step. I would have thought that the New Democratic Party might have been interested in hearing from the National Council on Welfare.

We had, in addition, Mrs. Shirley Carr, who came before the committee on Tuesday morning representing the Canadian Labour Congress. When I asked her directly how she felt about a value added tax which is in place in 48 other countries in the world, she said she had no difficulty in supporting the concept of a value added tax. Again, she had some concerns about this particular proposal and wanted some changes. Effectively, she wanted us to go back and have a royal commission to see what we could do in that regard.

Maybe I should speak on that for a moment because I think some people have the impression that what we are doing is somehow new or just thought up in the last few months or a year. In fact, the existing federal manufacturers' sales tax has been around since 1924. Today it accounts for about 20 per cent of the revenue of the federal government—around $18 billion. It is a large number we are talking about, but a system that has been in place for many years.

However, almost since the time it was brought in, its flaws have been known. There have been a variety of commissions, studies and examinations saying we have do something about this. In 1940, 50 years ago, there was the Rowell-Sirois commission which examined this issue and came to the conclusion that something should be done. In the 1960s there were various studies. In 1966 the Carter commission, which has been referred to by other members, examined taxation in Canada and put forward some suggestions. On the income tax side, those suggestions were adopted in 1971 by the then Minister of Finance, Edgar Benson. However, the government did not proceed with the other part of the equation, that is sales tax reform.

In 1975, we had the Minister of Finance of the day, who is now the current Leader of the Opposition, Mr. Turner, put forward a paper on the subject, seeking to reform the federal sales tax system. Of course nothing happened. Any time that previous government over the last 20 years before this government took office ran into some difficulty or some criticism it abandoned the effort. So that was abandoned. Mr. Turner abandoned it.

Mr. MacEachen tried to resurrect it when he was Finance Minister in 1981. Mr. Lalonde did the same thing by putting forward a proposal to reform the federal sales tax system. He then appointed a commission called the Goodman Commission which studied that particular proposal. It came to the conclusion that that was not particularly very good, and that it should look to something more along the lines of what we are doing now. Mr. Bulloch spoke about that series of commissions because he was a member of that commission. That is why he was able to state unequivocally that really the only answer is some form of value-added tax.

With all that support and with all those studies for 50 years it seems to me that now is the time to act—no longer talk about it, no longer study it, no longer have any more commissions and studies. Act. Put a proposal on the table. That is what the government has done.

I am not entirely satisfied with the proposal of the government. I will be the first to say that. I favour fewer exemptions, a broader base and a lower rate. I will still say that the proposal on the table by the government is superior to the existing system. While I will seek some changes along the way, especially in my role as a member of the finance committee, I know that one thing we cannot change is not doing something at all. We must proceed in some fashion.

For this motion to suggest that we do not proceed on the subject is I think, frankly, totally misguided. It does not recognize what 50 years of history has taught us. It does not recognize what individuals have been telling us.

The issue of farming was raised here a few moments ago. I should mention that last week we heard from the Canadian Barley Growers, the Canadian Wheat Growers and the Canadian Cattlemen, among other farm groups. We also heard from Unifarm. Every one of those groups endorsed a value-added tax. They said that, first, they would like a lower rate but that in order to get the lower rate they would like to be part of the system which would make food taxable.

Not only did they endorse a value-added tax, or a goods and services tax, they said that they should be brought into the system as well.

I recognize that people who have been reading newspapers or seeing clips on television may have got somewhat of a different impression. Those clips focus on the negative aspects that a particular group wants to raise when it comes before the committee. It is up to us to hear a group to try to do what we can while maintaining the integrity, over all, of the proposal.

The alternative suggestion that the New Democrats are putting forward deserves some examination here. Their first point is that there should be a minimum corporate tax on profitable corporations. That is fair enough. I think one of the problems we have is that they suggest and continue to quote numbers about there being 89,000 profitable corporations.

Mr. Harvey (Edmonton East): Sixty thousand.

Mr. Dorin: A new number we have had recently is 89,000. Somebody has put that number forward. In any event, there are not that many corporations to begin with. If we were to take a definition of "corporation" commonly accepted under the Corporations and Labour Returns Act there are about 2,000 corporations that could be classified as large, profitable and unprofitable.

When we had a study examining those corporations that do not pay tax even though they make a profit—the study is available in case people have not had an opportunity to see it—we found that the largest group that falls into that category includes farmers and small business people .The reason they fall into that category is that they have very cyclical incomes. A farmer may have a large crop one year and no crop the next and then another crop. In any given year he may appear as a person who had a reasonably sizable income. He paid no income tax because for the previous two or three years he had losses. Farmers are allowed essentially an averaging mechanism. The same is true for small businesses. That is why when you talk about a minimum tax and and you talk about profitable corporations that pay no tax the largest number by far is that of farmers and small businesses.

As long as we recognize that and if we want to increase the tax on that group then that is fine. The New Democrats should say that and be up front about it.

• (1700)

We talk about some other things in here, for example, taxation of capital gains and the restoration of inheritance tax. I am not going to go into detail on those, but I would suggest that if we were to take all the suggestions put forward here by the New Democratic Party in its motion today, we would have perhaps $2 billion, $3 billion or $4 billion available in taxes. That should not be disregarded. That is an important number. But it is nowhere near the $18 billion being brought in today by the federal sales tax. Therefore, this is not an alternative at all and should not be regarded as such.

Their fourth point about tax provisions which encourage environmentally sound practices is interesting. I must say that if there is anything at all redeeming about this particular motion it is this one clause which mentions that. I have said on occasion that we should consider possibly looking at how we might put into the taxation system some elements of a tax, if you like, on polluters or pollution, where we could try to address the issue of the environment in an economic way. If they had more suggestions in this area that might be a motion which I and some members of the House might be able to support.

However, given what they have said here it is not possible. It would not solve the problem. It leaves the entire question unaddressed, even after 50 years of studies, and proposes really no alternative that would in any way try to address the problem that we are trying to address. For that reason I and other members of the government will have to vote against this motion.

Mr. Hovdebo: Mr. Speaker, the hon. member started out by suggesting that there was a lot of support for a value added tax and that all it needed was some changes to the act. It is my understanding and the understanding of most people here that the act has already gone to the printer, that the finance committee hearings are a sham, and that there is no chance of any of these representations being any value in the changing of the act. Would the member like to comment?

Mr. Dorin: I would be glad to comment. No, I do not believe that the act has gone to the printer. What may have gone to the printer is the draft legislation.

I think on this part I could be a little bit critical of the Department of Finance because when it brought forward proposals in the White Paper in August it was our understanding that we would also receive the draft legislation to support that White Paper. Then we could have a more informed discussion of the issue when we held our hearings from tax professionals and other people who wanted to see the exact detail, as opposed to the concept which is put forward in the technical paper. We are actually anxiously awaiting that draft legislation because it will allow us to address some additional issues. We are hopeful that we can get it in time to use it and incorporate it into what we suggest in our report.

I would just like perhaps to make one further comment to the member of the New Democratic Party. I know that seated close to him is another member, the member for Nanaimo—Cowichan. I want to refer to a comment he made on May 11 of this year during the budget debate.

This is what that member of the New Democratic Party had to say: "As much as I will fight it and talk about it, between now and the time it is implemented I still want to urge the government to restrain itself in its temptation to give exemptions. Exemptions will not make it more fair. Exemptions will make the tax more difficult to administer. Exemptions will be of greater benefit to those who have more money than to those who have less money. I associate myself with the consumers' organization when they say not to exempt food."

We should ask the members of the New Democratic Party who have put forward this motion today to speak to their colleague from British Columbia who, as we know, was at one time the provincial treasurer in that province when Mr. Barrett was the Premier and when the NDP was the government there. That man knows something about taxes.

He knows something about running a government's budget, because of course he was the treasurer in that province. I think he would have something useful to say and his colleagues should heed his advice. Perhaps they might want to have a discussion with him and see whether or not he could shed some light on the situation for them so that they would not be bringing forward motions like this one today.

Mr. Harb: My question is with reference to a statement that was made by the finance minister on a number of occasions prior to the last election and during the election, that is that value added taxes will be revenue neutral.

Lately, over and over again we have been hearing about the impact the goods and services tax would have on the deficit, implying that it would reduce the deficit.

Could the hon. member tell the House how a revenue neutral tax could have an impact on reducing the deficit when it is revenue neutral? If in fact it is not revenue neutral, would the hon. member persuade his colleagues on the government side to come clean with Canadians and say that it will be the cow that we are going to milk over the years in order to reduce the deficit.

Mr. Dorin: I would be pleased to respond to that question. The reason why a person can talk about a tax as being revenue neutral and talk about the deficit at the same time is that the existing federal sales tax is essentially withering away.

One of the problems with that tax is that it is applied in quite an unfair and arbitrary manner, which has spawned a great many court cases. Right now there are approximately 130 cases within the system which are basically unravelling the existing federal tax system.

If, for example, we were to stop proceeding with this and say that we were going to stay with the existing tax system, we anticipate a loss in the order of about $2 billion in revenue immediately, from just what is in the system right now in terms of people challenging the system or reorganizing their businesses basically to shift away and avoid the tax. We would have a $2 billion loss immediately and further losses over time as business continued to move away from the system.

Another thing I could remind the member of is that the manufacturing sector or the goods sector of the economy is becoming a considerably smaller part of the economy than what it used to be. In 1961 it was 63 per cent of the economy. It is now about 53 per cent. So as that sector continues to shrink and the tax base continues to shrink, the rate must be raised on what is left to get the same revenue.

In order to maintain the revenue that we are currently getting today, or the same level of revenue, we have to make these changes to preserve the integrity of the system. That is why we can say that it is an important element in terms of maintaining our control over deficit reduction, as well as say at the same time that it is budget neutral.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): I am speaking on the NDP motion that would ask the government to scrap the goods and services tax. In order to put it in perspective I would like to go back for a few moments, for my own benefit and for the benefit of some of my colleagues, to make a thumbnail sketch of precisely how we arrived at this position with respect to the goods and services tax and to give you some indication in my opinion as to why the government has had to resort to this measure.

We have to go back and examine why we have taxes. The classical definition of taxes is: compulsory payment by individuals and corporations to government, levied to finance the government services, to redistribute income, and to influence the behaviour of consumers and investors.

It goes back to the Constitution Act, 1867 which gave Parliament unlimited taxing powers and limited those of the provinces to direct taxation. The federal government, under this act, was responsible for national defence and economic development which was extensive back then. The provinces were responsible for education, health and local matters, which then involved only modest expenditures. For more than 50 years customs and excise duties provided the bulk of federal revenues. By 1913 they constituted over 90 per cent of the total.

• (1710)

To finance World War I, in 1917 Parliament introduced personal income tax, corporate tax and in 1920 the manufacturers' sales tax and other sales taxes.

The Canadian tax structure changed profoundly during World War II. In 1941 direct taxes accounted for more than 56 per cent of the federal revenue, and the provinces received grants and the yields from gasoline and sales tax that increased substantially over the years.

From 1947 to 1962 the provinces with mounting reluctance accepted federal grants as a substitute for levying their own direct taxes. In 1962 this changed again and the federal government reduced its own personal and corporate income tax rates to make room available to the provinces. Between 1962 and 1977 the provincial share of income tax revenues increased significantly.

A tax system, I believe, is judged on a number of factors. We could spend the rest of the day discussing these factors, but I think it is safe to say that the major criteria are equity, efficiency, economic growth, stabilization, and ease of administration and compliance.

What it boils down to is that individuals should be taxed on their ability to pay or, as it was put by Mr. Kenneth Carter in the royal commission report on taxation, appointed in 1962—and his report was in 1966—fairness should be the foremost objective of the taxation system. The poor should not pay more than their fair share, and the rich should not be allowed to avoid taxes through various loopholes.

In 1986 the Conservative government, stampeded by the extensive tax reforms under way in the United States, announced plans to proceed with a comprehensive reform of the Canadian federal tax system in order to keep our tax system competitive with that of the United States. Their intentions, as stated, were to broaden the income tax base to enable a reduction in personal and corporate taxes, and the sales tax would be replaced by what was referred to then as the business transfer tax that was to be a broadly based, value added tax system in which the value added to a product would be taxed at each stage in the production process.

The big objective was to lower tax rates and in particular to reduce reliance on the personal income tax by improving the revenue balance between personal income and other taxes. A simplified tax system was expected to be the offshoot of all these plans, and this would all combine to stimulate economic growth. It sounds good on paper.

What had really happened, I would suggest, was that in the first few years after the Tories were elected they began to worry. Taxable corporate income had been eroded by a sea of losses, investment credits, capital cost allowances, and other tax breaks. The manufacturers' sales tax eventually applied to only one-third of the goods and services sold in Canada because many had won exemptions through legislation and tax decision.

In other words, a tax base was developing that had become dangerously narrow. Increasingly, the personal income tax was left to carry the weight and rates were being pushed progressively higher and higher. I think we all know in this House that Canadian tax revenues come mostly from three places: corporate income tax, personal income tax, and sales tax. When too much dependence is placed on one of these three the tax system goes berserk and it starts to collapse.

There is no magic mix, but let us look at the record. In 1965 corporate income tax accounted for 20 per cent of federal revenues; personal income tax, 30 per cent; and sales and excise tax, close to 40 per cent. In 1987, 22 years later, corporate tax had gone from 20 per cent to 11 per cent; personal income tax had gone from 30 per cent to 47 per cent; and sales and excise tax was 20 per cent.

As I suggested earlier there is general agreement that there is no magic formula. What you do is you take action, you monitor, you adjust, you watch international competitive trends, and you ensure that there is minimum damage to the economy.

The finance minister's advisers seem to have a sense of mission in which the only prescription seems to be to raise more taxes while the government continues to grind to a certain extent on the expenditure side. We look at the 72 per cent increase since 1984 on personal income tax and, if we do not get some Tory back-benchers to vote against Bill C-28, we are going to have about 90 per cent by 1991.

The Tories don't seem to want to offend big business, so whose left? It is the little guy. To make matter worse, they are also concerned that the gap in corporate tax rates between Canada and the United States is causing a revenue drain. Multinational companies can shift taxable profits to the United States while maintaining deductible expenses in Canada.

The estimates are that for every percentage point of the goods and services tax Ottawa will reap between $2.5 and $5 billion. We do not know exactly. This means that the tax will raise between $22.5 billion, at the very least, or it could raise as high as $27 billion. I think all of us in this House have heard figures greater than that. We have a windfall of between $4.5 billion and $9 billion per year. That could be reduced for a number of reasons or it could be increased for a number of reasons.

This tax is a dream of this government because it will be less visible than income tax and it will be difficult to evade. It is also a revenue money machine that can easily be adjusted to maximize political benefits.

For example, if the goods and services tax were set at the 24.5 per cent, as it is now in Sweden, the Tories could abolish their federal income tax for individuals and still collect about the same revenue. If it were set at Britain's rate of 15 per cent, they could half all the income taxes.

If we look at the $9 billion that may be a windfall, the income tax could be reduced next year or the year after the introduction of GST by 15 per cent. Guess who is going to look like the good guys? Guess who is planning to look like the good guys? I am suggesting that the Tories are hoping to avoid this measure as their death-knell and they are hoping to turn it into trump card.

Let us have no illusions. Every tax has a natural history. It begins with a wide base and a low rate, but as demands for special treatment grow louder the rates inevitably rise and the base narrows. I am just waiting for the Prime Minister say: "Watch me".

I opened my presentation with a serious definition of taxes. I would like to close with another. Taxes have been defined by some as a method used by the government in power to artificially induce the rainy day everybody has been saving for. Is this really what the government is doing? I am not prepared to watch this, neither are my colleagues on this side of the House and I would suggest over there. I hope that there are some of my colleagues from across the House who are going to say the same thing. The Canadian people will not accept this, and we are going to fight and fight to make sure that we do not see it pass.

Mr. Harb: Madam Speaker, first I would like to congratulate the hon. member on a excellent presentation. It is one of the best speeches that I have heard for a long, long time. The hon. member has certainly done his homework. He mentioned something about the government really supporting business and listening to business concerns. I would like to make a correction here that on the goods and services tax issue.

I have a leading businessman in my riding by the name of Mel Hartman who is a very capable individual. He has been involved in seeking the opinion of the business community concerning the issue of the goods and services tax.

We sent out a survey to the business community and I would like to report to my colleague that we heard from people who are against the goods and services tax who are bankers, hotel executives, pilots, tour operators, travel agents, legal assistants, retail store owners and managers, self-employed people, stock brokers, electrical contractors, architects, social workers, homeless, and unemployed. These are people from my region from all walks of life. The majority of those people who replied to this particular survey were in fact business people. This government, with this particular initiative on the goods and services tax, I can assure you, my colleagues, has cheesed off pretty well everyone.

• (1720)

Mr. Mifflin: I thank my colleague for Ottawa Centre for his confirmation of my concerns. I have to explain that in my riding the average income is somewhere in the vicinity of $24,000. At the last count it was $24,500, but I think that is a little bit lower than the poverty level in Canada. I would have to inform my hon. friend that I do not have many big businesses in my riding. I am always ready to be instructed on how big business feels about these kinds of things.

In a way, I am delighted to hear that big business is as concerned about this as he indicates. Certainly it is somewhat comforting to me as a member of the Liberal party fighting these measures, the goods and services tax, unemployment insurance, Bill C-21 cuts, the problems with the fisheries, the lack of concern for the Atlantic region, and all these things that are driving nails into the coffins of Atlantic Canadians that are of concern to them as well. I am interested in learning that big business at this time in our history is also on the side of the people who are fighting for the little guy.

I can assure you, Madam Speaker, and all my colleagues in this House that as we go forward with this very unpopular tax measure, a measure that has been described by people who have been in politics a lot longer than I have been, as the most despicable and unpopular measure that has been taken by any government in their memory.

We are going to count on big business and, I hope, chambers of commerce, business councils of national interest and all the people who perhaps were looking a little askance at our intonations and our revelations on the goods and services tax and the free trade concerns that we had the last time around.

I am delighted to hear this and I am looking forward to getting their support as I go around and talk in this country and to support my colleagues in having the government reject this very unpopular measure that is going to hit the little guy. I have a lot of little guys in my constituency and I would suggest that a lot of my colleagues do as well.

Mr. Crosby: Madam Speaker, with your permission I would like to make a comment or two and then to put a question to the hon. member for Bonavista—Trinity—Conception.

The hon. member reviewed taxation history in Canada. I hope he realizes from his historical review that taxation is a changing concept. We have to build our taxation system to meet the needs of the very day. He mentioned the income tax. The income tax started out as a means to support the war effort. That does not suggest that all the income tax revenue should be used to fuel a defence machine or instruments of defence for Canada. No, it has changed. The proceeds of income taxes have been used for other purposes. We are always changing, but not the opposition. They do not change. They just want to stay right where we are and never move. Keep the deficits going, keep pumping through the services, don't pay for them.

The whole point of the exercise is to change the tax system to meet the needs. What has been done in the taxation system, in the goods and services tax, is to balance the taxation system, to collect money and to reimburse those in need.

I want to ask the member who described himself as the representative of the little people of Newfoundland, those low wage earners, does he object to those people getting millions of dollars? Nine million Canadians are going to receive rebates under the goods and services tax. Is he objecting to that? Does he not want them to receive those funds? Does he want to wipe out those rebates, lower the tax level, lower the tax, let the rich get richer and the poor people get even poorer than they are today? Is that what he wants?

The Acting Speaker (Mrs. Champagne): There is very little time, but I will allow the hon. member a short rebuttal.

Mr. Mifflin: Madam Speaker, I thank you very much for your indulgence. I knew that you would want me to respond to my hon. friend for Halifax West. He and I have traded comments on the floor before and I always look forward to his constructive comments on those things that I have to say.

Of course I am not against rebates. He talked about taxation being an evolving thing. I agree, it is evolving. But one of the things that we on this side of the House would not want to do is to evolve something that gets rid of universality. Yes, I want to get myself involved in tax rebates, but you know as well as I, and the hon. member knows as well as I, that when you consider deindexation and all the other things, it will not make up for the difference in the money coming out of the pocket of these little guys.

I am not going to go on about universality, but if we are talking about how tax evolves, we should not evolve taxes by penalizing senior citizens, which is what this government is doing with universality. I have a lot of senior citizens in my riding who watch these comments and who are going to remember it in the next election.

The Acting Speaker (Mrs. Champagne): I will have to cut short the hon. member's intervention.

Mr. J.W. Bud Bird (Fredericton): Madam Speaker, I rise with pleasure to speak again on the subject of the goods and services tax. Since the subject seems to be getting a little dry with the air in this place this afternoon, I thought I might introduce a little bit of levity. As I was preparing notes for taxation, I happened to come across two sayings that pertained to taxation. I hope that these will not be considered sexist comments in any way. They are not intended to, they are intended to be well-balanced.

Joan Rivers was quoted as saying to the women of the world that: "They should love their husbands, adore their husbands, but get everything possible in their own name".

Oscar Wilde replied to that with a famous quote in which he said: "Bachelors should be taxed more than other people, because it is not fair that one segment of society should have more fun than the others".

I hope that will just introduce a little bit of lightness this late in the afternoon. Some of the members of the opposition are getting so burdened with the prospect of the goods and services tax and dealing so much with the negatives of it that they cannot see the positive nature.

The Acting Speaker (Mrs. Champagne): Should the Chair considers the start of this statement as entertainment today from the House of Commons?

Mr. Bird: Madam Speaker, that is what it was intended to accomplish.

I think it is only natural that Canadians, probably every one of us, will dislike a new tax program of any kind. I do not see us out to sell Canadians on a goods and services tax or any other kind of a tax program, but rather I believe that most Canadians are honest, intelligent, responsible people and they can be persuaded to accept or even to support a new tax program if it makes sense and if it is necessary to achieve our objectives as a nation. That is what I am convinced to be the situation in this case.

I would like to go to the background for the GST and to address it briefly. I know that the opposition in particular tire of hearing about deficits and debt. The current financial strategy of the government is intended to direct our nation toward the elimination of deficit in due course and ultimately to the beginning of the repayment of our national debt.

Over the past five years, through the programs of the hon. Minister of Finance, we have been working our way slowly toward a reduction in the deficit and with the budget program and the strategy that was placed before us earlier this year, we are pointing in the direction of a balanced budget in the years of the early 1990s, and perhaps before the year 2000, to even a surplus where we can commence to pay down that debt and to start to reduce the burden on future generations.

There is only one way to stop that debt from growing larger. That is to reduce the deficit and work toward a balanced budget and eventually to achieve a surplus. I think we must give credit where it is due. The financial strategy that Michael Wilson introduced in 1984 has produced some positive results. Since September 1984

the total number of new jobs in Canada amounted to 1,535,000. The unemployment rate has dropped from 11.2 per cent in 1984 to 7.3 per cent in September, 1989. That is a dramatic accomplishment, a drop of close to 40 per cent in that period.

• (1730)

Canada's competitive position has gone from eleventh place in the world economic forum in 1983 to fourth in 1988. I think that the strategy that we have embarked upon does hold promise for Canada, a promise that will make us financially strong and responsible by the turn of the century, 10 years from now.

Unless we as citizens do accept the importance of our national responsibility, unless we are either willing to pay for the excellent standards of living we enjoy or to bear the restraint in reductions in the present levels of services, or a combination of both, then I am deeply convinced that the consequences of undisciplined continuity of deficits and debt will eventually lead us to the economic tragedy of hyperinflation, of currency devaluation, and a severe erosion in the future quality of life for coming generations in this country. The signs of that can be seen in countries like Bolivia, Argentina, Mexico and post-war Germany.

I believe it is paramount to understand that the goods and services tax is a critical and major component of the government's financial strategy for the 1990s. It is considered to be a most reliable and fair source of government revenue, essential to supplement the income tax program which itself was beneficially reformed in the past two years.

The goods and services tax is a value-added tax on consumption which will grow with the economic activity of our country. It has well become the most favoured consumption tax in the world and is now being used in some 48 countries, including 19 of the 24 members of the OECD, generally all among the world's most successful economies.

The motion today does not indicate whether it would terminate the existing federal sales tax, but we must recognize that this new tax replaces an existing federal sales tax that is hidden, that is regressive, that impacts on our competitive effectiveness for international export. It is really a failed tax, the elimination of which is long overdue. Because it occurs on many capital costs and operating expenses which are not possible to isolate in our export pricing it, makes us less competitive in international markets and it indirectly favours imports to the disadvantage of our domestic producers.

By comparison, the new goods and services tax will be applicable broadly at the consumption level to all Canadians and on a very wide range of commodities, with relatively few important exceptions. Instead of different rates which are currently applicable to the FST, ranging from 9 per cent to 13.5 per cent, the new tax will have a standard rate of 9 per cent.

Based on the economic assumptions in the April budget, and in terms of comparable values in 1991 dollars, the existing federal sales tax collects tax revenues of $18.5 billion. The new goods and services tax will collect revenues of $24 billion. The difference at the beginning of $5.5 billion will be applied directly to fund special provisions of the GST program. This is the significant aspect of the GST program. It is an integrated tax reform system. It touches on increases in the income tax credit program, and of the $5.5 billion in new revenues, $2.4 billion will go to 9.3 million Canadian families who will benefit from increased tax credits at the lower income levels.

Another $700 million will provide for income tax reductions of 1 per cent in the middle tax range. Lastly, about $2 billion of that $5.5 billion will be required to cover the index benefits of indexation which the 2.5 per cent or 2.25 per cent inflationary impact of GST will bring about for those at the lower level of the income tax range for family allowance benefits and for old age pensions.

Finally, of the total of $24 billion, $200 million, or less than 1 per cent, will be required for administration of the new program. I believe that this tax program does shift the burden from those least able to pay to those most able to pay. The discretionary income of Canadians as is reflected in consumer purchases will support the tax, and the food exemption ensures that low income families will not be paying a disproportionate ratio of their income which is directed to basic groceries in the form of the new tax.

That alone is another measure that shifts the burden from those least able to pay to those most able to pay. The income tax credit does the same thing. The reduction by 1 per cent achieves a similar purpose. I should add that the unemployment insurance changes as embodied in Bill C–21 with the shift of premiums to employers and employed in high growth areas of Canada with the benefits payable to those who are unemployed in the lower growth areas of Canada also have the effect of shifting the tax burden to those best able to pay. This is a principle that this motion by the opposition calls for. I believe that that is already being accomplished.

I would like to wind up by saying that I believe the new goods and services tax program is not only a critical element in our nation's long–term financial strategy but a distinct improvement over the regressive federal sales tax which it is eliminating. Perhaps most important of all, because the GST does integrate effectively with the income tax program through the provisions of refundable tax credits and because it tends to balance the fairness of the total tax program more effectively away from those least able to pay, it is an instrument of financial fairness as well as of financial responsibility.

I believe that this motion is redundant and that its purposes are very significantly addressed in the government's current program.

Mr. Ronald J. Duhamel (Saint–Boniface): I would like to ask the following question of the member opposite. If one looks at the increases in taxes during the last five years on income, excise taxes, on the manufacturers' sales tax, and if one looks at the unemployment insurance changes that will place a greater taxation burden on Canadians and small companies, as well as at the impact of the goods and services tax, could he tell me how these measures and the budgetary measures such as the claw–back will be fair to seniors, most of whom are women, and to youth who want to upgrade but will have to pay more for an education now?

Will it be fair to families with children who we know will be penalized unduly, to small businesses including farmers, to the unemployed and I think, perhaps in particular to people such as VIA Rail employees, over 2,700 of whom will no longer have employment? Will it be fair to the poor in this country?

There are between 3.5 million to 5 million poor. There are almost 800,000 families who are poor. There are almost one million children, and over one million unattached adults who are within this category. How will it be fair as well to the poorer regions, like the Atlantic provinces and the north?

I would like to understand how these people will benefit from this ensemble of tax measures that have been proposed by the government. I really cannot understand the logic of anyone trying to argue for it.

Mr. Bird: Madam Speaker, the hon. member must simply ignore in his question the reality of the tax credit program which is part of the goods and services tax system that will bring net expense relief to 9.3 million families in this country.

I do not understand how he can talk about 800,000 poor and ask that question without acknowledging, just in fairness, that 9.3 million Canadians under the GST program will have less net family expenditures as a result of the goods and services tax program and the goods and services tax credit.

• (1740)

I would ask him to explain why he ignores the shift in unemployment insurance premiums to those who are employed in the boom areas of this country in favour of the unemployment insurance benefits being paid to those who are unemployed in the less active areas of the country. I fail to understand how political representatives can stand and ask such questions and make such statements without at least acknowledging the facts as they are set out in the papers and in the estimates.

Mr. Harvey (Edmonton East): Madam Speaker, since the government of which the hon. member is a member came to power in 1984, sales and excise taxes combined rose from 19 per cent of total government revenues, about $12 billion to about 25 per cent of all federal revenues for 1988–89, about $20 billion. That is a rise of 66 per cent. And the effect of these changes is that an average family with two wage earners and two children and an income of about $40,000 a year will pay about $1,140 more in sales and excise taxes and about $1,081 more in income taxes in 1989 than would have been the case under the 1984 tax system. And this he calls fair? Where is the fairness in this?

The Acting Speaker (Mrs. Champagne): A short answer from the hon. member.

Mr. Bird: Madam Speaker, I think that if the hon. gentleman checks his statistics, and I do not have them at hand, he will find that the combination of economic growth and inflationary growth, as modest as it has been, exceeds the rate of growth of those taxation revenues. I do not believe that any Canadian resents paying his fair share of increased income taxes or increased sales taxes so long as he is paying them out of proportionately increased earnings.

The hon. member should be pleased that the economy is growing at such a rate that it generates those kinds of revenues out of increasing incomes.

Mr. David Walker (Winnipeg North Centre): Madam Speaker, I have listened with great interest today, as I am sure other members have, to the defence of the government against this resolution. In defence of the party which sponsored this motion, I say that at least it has the right objective. That is to say, they wish to talk about tax reform.

The response from the government was one mindless defence after another of the GST. The GST is only a minor component and I think it is the last resort for this government, a government which has found itself in great taxation difficulty. So, we must ask: "How did we get ourselves into the jackpot in the last five years? Why are we at this intellectual bottom of the pit, in terms of trying to deal with a very important problem"?

Canadians are not involved in a tax revolt because they do not want to pay taxes. Canadians are very happy to pay taxes if they feel that there is service at stake and that they are getting something back for their money. The great anger within Canadians right now is that they are not getting anything back.

In region after region across the country, whether we are talking about armed forces bases, whether we are talking about VIA Rail, whether we are talking about services for pensioners, whether we are talking about services and ERDA agreements for the different regions, we are seeing cut-backs, one after another. Once people feel that their government has abandoned them, then they ask: "Why should we pay taxes?". We have not heard the government answer that question. When the finance committee travels across the country what is it that it sees in one city after another? It sees that government's position is being rejected and that the government has lost any moral authority in this country to govern because the tax issue is over-burdening all other issues. After the next election a new government will be formed, hopefully not the same government, and the primary question it will have to face is what to do with $350 billion worth of debt. That is just a staggering figure, and as it begins to sink in on Canadians, it is going to traumatize all of our politics.

The Acting Speaker (Mrs. Champagne): With deep regret, I must interrupt the Hon. Member.

It being 5.45 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply, pursuant to Standing Order 81 (14).

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

An Hon. Member: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Call in the members.

The House divided on the motion, which was negatived on the following division:

(*Division No. 60*)

YEAS

Members

Angus	Arseneault
Axworthy (Saskatoon—Clark's Crossing)	Axworthy (Winnipeg South Centre)
Barrett	Bellemare
Benjamin	Bevilacqua
Boudria	Brewin
Broadbent	Butland
Callbeck	Catterall
Clancy	Comuzzi
Crawford	de Jong
Dingwall	Dionne
Duhamel	Ferguson
Fisher	Flis
Foster	Fulton
Gagliano	Gardiner
Gauthier	Gray (Windsor West)
Guarnieri	Harb
Harvey (Edmonton East)	Heap
Hovdebo	Karpoff
Keyes	Kilger (Stormont—Dundas)
Kristiansen	Langan (Mission—Coquitlam)

LeBlanc (Cape Breton Highlands—Canso)
MacLellan
Maheu
Marchi
Martin (Lasalle—Émard)
McGuire
Mifflin
Murphy
Nystrom
Peterson
Proud
Rideout
Robinson
Speller
Stupich
Vanclief
Walker
Young (Gloucester)
MacDonald (Dartmouth)
MacWilliam
Manley
Marleau
McCurdy
McLaughlin
Milliken
Nault
Pagtakhan
Phinney
Prud'homme
Riis
Skelly (Comox—Alberni)
Stewart
Taylor
Waddell
Whittaker
Young (Beaches—Woodbine)—76

NAYS

Members

Anderson
Atkinson
Bernier
Bird
Blais
Bosley
Bourgault
Browes
Campbell (Vancouver Centre)
Champagne (Champlain)
Clark (Yellowhead)
Clifford
Collins
Cooper
Corbett
Couture
Darling
de Cotret
Desjardins
Dobbie
Duplessis
Fee
Ferland
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hogue
Hudon
James
Johnson
Koury
Langlois
Layton
Lewis
Lopez
Malone
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
Merrithew
Monteith
Nicholson
Oberle
Paproski
Andre
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Brightwell
Cadieux
Champagne (Saint-Hyacinthe—Bagot)
Chartrand
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Côté
Crosby (Halifax West)
DeBlois
Della Noce
Dick
Dorin
Edwards
Feltham
Fontaine
Gibeau
Greene
Gustafson
Hawkes
Horning
Jacques
Jelinek
Kempling
Landry
Larrivée
Leblanc (Longueuil)
Loiselle
MacDougall (Timiskaming)
Marin
Masse
Mazankowski
McDermid
McLean
Mitges
Moore
Nowlan
O'Kurley
Plourde
Porter
Redway
Ricard
Robitaille
Schneider
Siddon
Soetens
Stevenson
Tétreault
Tremblay (Rosemont)
Tremblay (Lotbinière)
Venne
Vien
Weiner
Wilbee
Assiniboia)
Winegard
Pronovost
Reid
Richardson
St-Julien
Scott (Victoria—Haliburton)
Sobeski
Sparrow
Tardif
Thacker
Tremblay (Québec-Est)
Turner (Halton—Peel)
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—125

• (1810)

Mr. Speaker: I declare the motion lost.

The hon. minister on a point of order.

Mrs. McDougall: Mr. Speaker, I rise on a point of order. Immediately following these proceedings six Canadian women will be honoured in the other place for their outstanding contribution to women's equality in Canada. The occasion is the presentation of the Persons Awards celebrating Alberta's famous five. This is the sixtieth anniversary of the Persons case and therefore a very special occasion indeed.

I would like to invite all members to attend the reception immediately following that ceremony in Room 200, West Block, shortly after 7 p.m. I can promise them that status of women throw the best parties.

Ms. Clancy: Mr. Speaker, I would just like to join with the minister responsible for the status of women in commending her invitation to all members of the House and hoping that, as persons themselves, they will join in the celebration.

Some Hon. Members: Hear, hear!

Ms. Langan: Mr. Speaker, we too join in celebrating 60 years of personhood for women. We would urge that all members join us in that celebration later this afternoon.

Mr. Speaker: It being 6.14 p.m., this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.14 p.m.

HOUSE OF COMMONS

Friday, October 13, 1989

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed from Tuesday, October 10, consideration of Bill C-20, an act to amend the Excise Tax Act and the Excise Act, as reported (without amendment) from a legislative committee; and the motion of Ms. McLaughlin:

Motion No. 10.

That Bill C-20 be amended in Clause 8 by striking out line 10 at page 5 and substituting the following therefor:

"8. Non-bio-degradable laundry detergents."

and the motion of Mr. Kindy:

Motion No. 11.

That Bill C-20 be amended by deleting Clause 8.

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I am pleased to participate in the debate on this critical motion. The point is that the government wants to include laundry detergent in the schedule of goods which are taxed under the manufacturers' sales tax. I think it is time that we start looking at our tax system as a way to accomplish priorities that we set as a Parliament.

I believe that there is a lot of rhetoric these days about the concern regarding environmental deterioration which we see in almost every environmental area. Perhaps the government ought to give consideration to taxing only those detergents that are harmful to the environment and to giving a tax incentive for or not taxing soaps which are environmentally friendly.

In other words, if people have a choice between using detergent that will obviously harm the environment and using a detergent that is friendly to the environment in the sense that it will not do damage, why would we not then take the advantage and not tax that environmentally friendly detergent?

It would send a very clear signal that we are serious, that we are prepared to give up revenue in the hope of altering people's purchasing patterns and encouraging people to purchase environmentally friendly products and at the same time send a clear signal to those firms which are marketing goods that are in a sense against the environment to reconsider what they are doing.

It seems to me that this provides us with an excellent opportunity to send that signal, both in terms of encouraging an incentive to purchase environmentally friendly products and a signal against those firms that continue, in spite of the evidence, to market very unfriendly products.

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, I too want to say a few words about this motion. I think, as my colleague from Kamloops said just a few moments ago, this is quite an opportunity for the government to actually put into action some of the things that it has been talking about.

There is very little that is more important to us than the environment right now. The point is that here we have an opportunity to actually use our tax system to promote a healthy environment here in Canada. We have a situation where the Conservative government is now asking us to include laundry detergent in the schedule of goods which are taxed under the manufacturers' sales tax provisions.

As much as we have argued in other debates in this House that the manufacturers' sales tax is a bad tax and a killer of jobs, as the Minister of Finance has indicated if it is going to amend it, it should do it in such a way that the entire country benefits since the tax itself is such a negative tax to begin with.

We argue that this government should tax only those products which are harmful to the environment and should in fact provide a tax incentive for those laundry detergents and other products which are environmentally friendly.

The government, I think, should increasingly be including environmental incentives in its tax policy in order to encourage companies to devise less harmful products, rather than just using the system to encourage manufacturers to do whatever they wish and to meet consumer demand.

As we know the consumers are not always correct in our system. In an economy such as ours they tend to buy the cheapest product, the product that is most easily available to them and is not always the most environmentally friendly.

• (1010)

This amendment before us today is a fine opportunity for us to deal with putting some action to the words that have been spoken, not just by members of the opposition but by many members of the government as well.

Mr. Ross Harvey (Edmonton East): Madam Speaker, I listened with great interest and even touches of joy as the hon. Minister of the Environment stated after the last federal general election that every piece of legislation placed before this House, every element of the government's program, would be subject to rigorous testing against its environmental effects and the advisability of that program or legislation from an environmentalist point of view.

I was willing to herald this and in fact did so in my riding on a number of occasions, as a major advance by an otherwise, let us say, at best tepidly enthusiastic government at least in this regard.

Mr. Milliken: That is very generous.

Mr. Harvey (Edmonton East): I am a generous man by nature. It is for this reason that I rise to state my certainty that this amendment will enjoy support on all sides of the House.

I cannot imagine that a government, which numbers among it so passionately eloquent and obviously dedicated a minister as is the hon. Minister of the Environment, would conduct itself in any other fashion when confronted with so sensible, reasonable and unobjectionable an amendment as that proposed by the hon. member for Yukon. It seeks to penalize no one. It seeks to prevent no consumer option. It merely attempts to foster the use by the Canadian people in one small area of a buying pattern that will be the less environmentally destructive.

Biodegradable laundry detergents are not the answer to the pollution problem in this country. By encouraging consumers to move to biodegradable laundry detergents we will not thereby have solved the environmental problems that confront this Chamber but we will have taken one small step. As the Chinese have noted a journey of a thousand *li* begins with a single step.

Given the pronouncements of the hon. Minister of the Environment, I assume the desires of the members opposite, and certainly those of the members on this side, I look forward to the unanimous support of this amendment in this Chamber.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on Motion No. 10 standing in the name of the hon. member for Yukon. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 76(8), a recorded division on the proposed motion stands deferred. We will now move to Motions Nos. 17 and 18 which will be grouped for debate. An affirmative vote on Motion No. 17 obviates the need to a vote on Motion No. 18, and a negative vote on Motion No. 17 necessitates a vote on Motion No. 18.

Is there consent for somebody else to move the motion presented by the hon. member for Yukon?

Mr. Harvey (Edmonton East): Madam Speaker, I rise on a point of order. I was wondering if I might seek unanimous consent of the House to move Motions Nos. 17 and 18, seconded by the hon. member for The Battlefords—Meadow Lake.

Mr. Albert Cooper (Peace River): Madam Speaker, I have no problem with the member moving Motion No. 17, but I do have a problem with the consent for Motion No. 18. We will give consent for Motion No. 17 but not on Motion No. 18, standing in the name of the member for Calgary Northeast.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): I cannot let the occasion go by, Madam Speaker, without noting that the government is disavowing one of its own members, but the Liberal side will have no objections to unanimous consent being given to the member who wants to propose this in the absence of the member in whose name the motion is.

The Acting Speaker (Mrs. Champagne): Motion No. 18 is dropped.

Mr. Ross Harvey (for Ms. Mclaughlin) moved:

Motion No. 17

That Bill C-20 be amended in Clause 14 by striking out line 9 at page 7 and substituting the following therefor:

"come into force on April 29, 1989."

He said: Madam Speaker, the point of this amendment is obvious. The provisions of the clause, the coming into effect provisions, should be back dated to the date where those provisions became public; this is to say, the night of the famous press conference budget.

A lot of stores, in fact almost all of them, that night increased the price of cigarettes to the amount noted in the finance minister's budget before they actually needed to. Therefore, they stand the possibility at very least of reaping a windfall profit on a day's sale of cigarettes that the government given the current dating of these provisions will not collect.

It is in the interest of fairness, as well as that of fiscal responsibility for the government, to change the effective date of the act to April 27 so that it is the government that achieves the benefit of the boost in the tax rather than cigarette vendors. That is the simple and entire point of the amendment.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on Motion No. 17 standing in the name of the Hon. Member for Yukon. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 76(8), the recorded division on the proposed motion stands deferred.

Normally at this time the House would proceed to the taking of the deferred divisions at the report stage of the bill now before the House.

However, pursuant to Standing Order 45(6) the recorded divisions will stand deferred until six o'clock p.m. Monday, October 16, 1989.

* * *

• (1020)

MULTICULTURALISM AND CITIZENSHIP DEPARTMENT ACT

MEASURE TO ENACT

The House resumed from Tuesday, October 3, consideration of the motion of Mr. Mulroney that Bill C-18, an act to establish the Department of Multiculturalism and Citizenship and to amend certain acts in relation thereto, be read the second time and referred to a legislative committee.

Mr. Ross Harvey (Edmonton East): Madam Speaker, I am pleased to get up and speak on this bill if for no other reason than I hail from a riding and indeed a city that is in many respects a microcosm of the multicultural reality

which many in Canada seek to see this nation become.

Edmonton is, in the term once popularized by the Right Hon. Secretary of State for External Affairs, "a community of communities". There are numerous language groups, numerous individual communities in Edmonton comprising members of cultures from around the globe, all of whom in Edmonton have come to live in a kind of harmony, a kind of over-all co-operative civic spirit that I think does the city proud and I think can act as a model for the rest of the country. This is not to say that we do not have problems in Edmonton. We do. But we have many assets in consequence of this fundamental fact.

This is most obvious in the annual heritage days festival in Edmonton. It occurs every August and is a three-day long weekend extravaganza in which the various cultures present in Edmonton get together, establish booths down in William Hawrelak Park and spend those three days marvelling at the richness and variety of each other's cultures.

I would note as well that in Edmonton, indeed in Edmonton East, there is a variety of publications in various heritage languages. We have two Italian newspapers; we have three Chinese language newspapers; we have two newspapers that are published partly in Cree; we have a Portuguese newspaper; we have a Ukrainian newspaper; and we have *The Prairie Link*, which is devoted to the furtherance of all these multicultural perspectives.

In the last two months I attended ceremonies to mark African Awareness Day. I attended the founding meeting of the Keiping Association of Alberta. I attended the opening of the new headquarters of the Hakka Association, and of course last summer I attended at the celebration of the Veisakha by the Sikh community in Edmonton.

This is not to say, as I noted earlier, that we are devoid of frictions in Edmonton. They are there, just as they have been there historically in Canada and I must say especially in western Canada.

There are such shameful episodes as the *Komagata Maru* incident, the imposition of the Chinese immigration head tax and thereafter the Immigration Exclusion Act; the systematic discrimination against Ukrainian settlers at the beginning of the century; the appalling crimes committed against the Japanese Canadian people during the Second World War; and more recently the real racial discrimination faced by new immigrants such as the Vietnamese, the Latinos, especially Chileans and El Salvadorans, people from the Arab countries and the Sikh community.

All these are witness to the fact that racial discrimination has not been abolished from our communities, not even in a community as young and essentially open-minded as that which one will find in Edmonton.

And of course always for some reason, lurking in the background, is that particular European curse, anti-Semitism, which continues to raise its ugly head from time to time in acts of vandalism in Edmonton and across Alberta.

There is no question, therefore, that in this bill we have a proposal for an act which is commendable in that it celebrates the fact of diversity in Canada and which is necessary because it seeks to foster public celebration and acceptance of that fact.

In this regard I commend, without reservation, the efforts of the government and of the minister. I note as well that on the day that this bill was moved for second reading we had the introduction of the heritage languages bill. This will create the institute, centred in Edmonton most appropriately, and is as well another commendable piece of legislation by this government. I will have more on that at second reading of that bill.

I would just like to close by noting that the term multiculturalism, that field of attitude which is intended to cover the openness of spirit, generosity and goodwill expressed toward people who are apparently different from us or toward people who apparently pursue different cultural values, is and always has been a fundamental precept of the party of which I am proud to be a member.

From the days in which the CCF opposed the Exclusion Act in B.C. and from the days in which the CCF opposed the relocation of Japanese Canadians in the Second World War to the present, our party has always stood for justice for and a welcoming of people from around the world into the project that is the building of the Canadian nation.

In some senses this was best expressed by our founding leader James Shaver Woodsworth who concluded his grace before meat with the words: "What we desire for

ourselves we wish for all." That is the spirit that animates this bill, and I celebrate it.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

Mr. Cooper: Madam Speaker, were there no objections at all to the bill? I want to double check on that because I thought that we would probably end up with a vote.

Mr. Gauthier: No objections at all.

Mr. Cooper: Because it is now 10.30 a.m. and the House would normally adjourn at this point, we would like to have the House adjourn for a few moments and come back in time for Question Period, which would then be followed by Private Members' Business.

The Acting Speaker (Mrs. Champagne): The House has heard the parliamentary secretary. I have not heard anyone speak against the bill being read the second time so it has carried.

SITTING SUSPENDED

The Acting Speaker (Mrs. Champagne): If everyone has agreed I will suspend the sitting until eleven o'clock.

Some Hon. Members: Agreed.

The sitting of the House was suspended at 10.31 a.m.

• (1100)

SITTING RESUMED

The House resumed at 11 a.m.

Mr. Speaker: It being eleven o'clock, pursuant to Standing Order 35, the House will now proceed to Statements by Members pursuant to Standing Order 31.

S. O. 31

STATEMENTS PURSUANT TO S.O. 31

[*Translation*]

OFFICIAL LANGUAGES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, we learned with amazement and indignation of the resolution proposed by aldermen Darrel Kent, Jacquelin Holzman and Michael McSweeney and passed by a committee of the City of Ottawa to abolish the French services advisory board.

This reprisal for Bill 178 is frightfully and unacceptably cynical. Nothing is more vicious and two-faced than an elected bigot who holds a minority group hostage and punishes, or seeks to punish, it for an action beyond its control and for which it is in no way responsible.

In the capital of this country which should reflect Canada's linguistic duality, tolerance and generosity, it is unacceptable for some city councillors to show such ignorance, narrow-mindedness and intolerance.

Mr. Speaker, if these elected representatives of the people are unable to act with dignity and understanding, they should resign and be replaced!

* * *

[*English*]

NATIONAL UNITY

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, national unity is one of the most important topics of our time. Our challenge as Canadians is to find a balance between our need to express our uniqueness and our need to identify with the common national purpose.

It is important to express our individuality. It is important to show others what makes us special as Canadians. In some cases it may also be appropriate to promote the differences among us. Indeed, most Canadians will agree that it is our differences that have in fact given our country its strength.

However, rather than dwelling on our differences let us focus instead on what makes us the same as Canadians. Now is the time to celebrate our national identity. Now is the time to work together in the national interest. Let us all work together to face the economic challenges in Canada.

Let us work together as one Canada to build a better future for our children. Let us all, Canadians from sea to sea, work together to build a better Canada.

* * *

HUMAN RIGHTS

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I rise today to recognize an El Salvadoran woman of courage and dedication, Magdalena Hernandez, who is currently visiting Canada.

Ms. Hernandez is a member of the village council and president of the women's council of the village of Las Vueltas in El Salvador. Ten years ago the people of many villages in El Salvador, including Las Vueltas, fled their homes because of bombings and death squads.

Two years ago today these refugees started returning to their homes from the Honduras refugee camps, from San Salvador and elsewhere. Indeed, just next week over 1,600 people will be going back to their home villages from the refugee camp of Mesa Grande, which I had the privilege of visiting last month. This will be the fourth return of these people.

Given the increasing level of violence in El Salvador since Christiani came to power, I call upon the Government of Canada to support these people in their courageous return. I call upon the Government of Canada to condemn the human rights violations which have been taking place in El Salvador, the wave of assassinations, of abductions, of disappearances.

Finally, I urge our government to call upon the United Nations to provide all the necessary support so that the people of Las Vueltas and the people of other villages throughout El Salvador can join with courageous villagers, such as Magdalena Hernandez who is in the gallery, today in rebuilding a new El Salvador, an El Salvador of peace, an El Salvador of democracy and of justice.

* * *

ADDRESS BY KING HUSSEIN

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, this week witnessed an historic moment in this chamber when His Majesty King Hussein of Jordan became the first head of state of an Arab country to address both Houses of the Canadian Parliament.

Those of us who have favoured dialogue and promoted moderation were particularly impressed with the eloquent, reasonable and pragmatic approach to peace outlined by our guest.

I also commend our Prime Minister for reiterating Canada's support for the concept of land for peace.

To bring peace to a region fraught with violence, the voices of moderation such as those of King Hussein deserve our unconditional support.

The peaceful resolution of the Israeli–Palestinian conflict, the crux of the problem, can be attained by the creation of an independent Palestinian state to complement all of the others in the region.

* * *

ATLANTIC CANADA OPPORTUNITIES AGENCY

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, a secret document prepared for the Premier of Nova Scotia is nothing short of a scathing indictment of this government's policies on regional development and its pure deception in trying to mislead the people of Atlantic Canada about the activities of ACOA.

On May 17 the minister responsible for ACOA told a Commons committee that ACOA had spent nearly $600 million in Atlantic Canada. This claim was repeated on July 4 by the then president of ACOA, and again on October 6 by the minister responsible.

However, this confidential document that I have clearly shows that the actual investment by ACOA was some 40 per cent less than that claimed by the minister and this government. The credibility of this minister and the ACOA officials is now being seriously questioned as is this government's stated commitment to regional development. To quote from the premier's document: "At the moment, Atlantic Canada is practically depraved of incentives to attract industry and investment—this is not acceptable and cannot continue. We demand equal fair treatment in this Confederation".

I now call upon this government to initiate a full public inquiry into the operations of ACOA and this government's actions, not rhetoric, as it relates to regional economic development.

VIA RAIL

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, since the announcement of VIA's new reference levels, the 11 government members of southwestern and western Ontario have consistently and unrelentlessly asserted the importance of passenger rail service for our area.

The retention of both the north and south line routes in southwestern Ontario as part of VIA's new national network has reaffirmed this importance for both my riding of Sarnia—Lambton and southwestern Ontario in general.

In my riding a group of community representatives have already taken another step forward. Rather than dwell on the supposed demise of passenger rail services, they have become involved in a local task force to help ascertain what type of new schedule and equipment could best address the area's travelling needs. Coupled with my personal meeting with VIA officials, I believe that this group will provide a valuable forum through which viable suggestions can be offered for optimal local passenger rail service.

The efforts of this task force, I think, are both timely and constructive. Certainly they demonstrate that some are fully committed to a national and local rail system that is sustainable and affordable, and one that can be built upon in the future.

* * *

KIDS' HELP PHONE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise today to urge the government to meet the needs of Canadian children by approving the funding application for the Kids' Help Phone.

Since May, this line has handled 45,000 calls from children across the country. More than 3,000 calls have been from children reporting abuse. More than 1,300 calls have been threats of suicide.

Without federal funds, the Kids' Help Phone is in jeopardy. At first they requested $1.3 million. Now they need $2 million just to keep up. Meetings with the Minister of National Health and Welfare have resulted in nothing.

Make no mistake, Mr. Speaker, I am not suggesting that the government can get off lightly in its responsibility to Canadian kids by only providing funds for this one help line. What this line tells us is that there is a desperate need for more services for our children, especially in rural, remote and isolated areas.

If this govenment can spend millions to advertise the trade deal, $2.7 million to advertise its budget and take out full page ads to laud a tax bill not yet passed by Parliament, then surely it can provide money to a service responding to the pleas for help from our children.

* * *

[*Translation*]

SPORT

Mr. Guy St-Julien (Abitibi): Mr. Speaker, I would like to pay tribute to Michel Juneau of Val d'Or. In 1982, 3,000 feet underground, the platform on which he was working gave way and Michel fell 50 feet. This accident was to change his life painfully: at 27, he became a paraplegic.

Recently, he confided that the first year was the hardest. "Still wearing pyjamas at five in the afternoon is not living. I had to get out of my shell." That is what he did. He regained his taste for sport with the Val d'Or Passe-partout, a wheelchair basketball club.

In the most recent Canadian championships on June 18 in Winnipeg, he finished only 26 seconds behind André Viger. On November 5, he will be at the world championships in Japan, but Michel says: What I am proudest of is not the victories and the travel. It is rather that I managed as a disabled person to join the rest of society. Most people now see me as a real athlete.

Mr. Speaker, that is a true champion and a model of perseverance!

* * *

[*English*]

APARTHEID

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, the Prime Minister and the Secretary of State for External Affairs are misreading the intentions of the South African government to provide real change in South Africa.

The Canadian government should not let up on the pressure just because South Africa is talking a good story. There must be some real change.

Canada, by not proposing new sanctions in Kuala Lumpur, is telling the world that South Africa is prepared to make changes. I ask the Prime Minister, where are these real changes? Actions speak louder than words. Real change would be to release all political prisoners and to say when there will be real elections in South Africa.

The Prime Minister has advocated total economic sanctions against South Africa if it did not make progress toward dismantling apartheid. This government should show real leadership and call for more sanctions to show the South African government that it will not accept petty apartheid talk as concrete indications of its willingness to make real change in South Africa.

* * *

• (1110)

KIDS' HELP PHONE

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, Canada's first hotline for troubled children, the Kids' Help Phone, averages 800 calls a day. These calls range from suicide threats, fights with their parents, teen pregnancies and many other problems associated with being a troubled child.

Kids' Help Phone will have to end its service if this government does not come through with a $1.3 million dollar grant by the end of the month.

The best statement department officials could make was that the proposal was under review. Is the government reviewing whether the little girl who gets beaten by her drunk parents needs help, whether the teenager who finds out she is pregnant and has no where to turn needs advice, or whether the young boy who is having problems dealing with the fear of drug addiction needs guidance? Or is it reviewing whether $1.3 million is too high a price to pay to reach the seven million children in Canada?

Kids' Help Phone needs the government's help. Kids in this country need the government's help. I urge this government not to let them down.

UNEMPLOYMENT

Mr. Peter L. McCreath (South Shore): Mr. Speaker, during hearings of Bill C-21 by the unemployment insurance committee much rhetoric was heard from opponents about money being taken out of the UI system.

In fact, this money is being reinvested to assist unemployed or laid-off Canadians to prepare for, find and achieve full-time permanent employment, something for which this government has an enviable and impressive record.

In particular, 50 million additional dollars will go for the Community Futures Program and 15 million additional dollars for the industrial adjustment service. Used this way, these funds represent a valuable, long-term benefit for currently unemployed Canadians.

I urge the government to target much of these additional funds for use in areas hit hard by the downturn in the Atlantic fishery or impacted by base closures. In particular, I urge the immediate designation of Shelburne and Queens counties in Nova Scotia for the Community Futures Program.

* * *

CASH ADVANCES FOR GRAIN PAYMENTS

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, yesterday in my office I received a telephone call from a farmer who works in northwest Saskatchewan near The Battlefords. He told me to pass a message to the government across the way. He said he is a long-time Conservative who is now a former supporter of the government party.

The government, he said, has forgotten about the farmer. Grain is not moving from the elevators. He cannot sell his grain and his debts have to be paid. The situation leaves him in a heck of a spot.

If the government realized the true situation, it would maintain the cash advance payments for grain. The cash advance is not a loan and should not be subject to the interest payments. The program was put in place to provide payments for grain, some of which cannot be sold because quotas are off or elevators are plugged.

If this government wants to help western farmers, it would bring forth the statutes under the existing legislation to allow advance payments to be made and at the same time bring in legislation to reduce interest rates for all farm loans for Canadian farmers.

* * *

INDUSTRY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, yesterday 2,700 workers at the General Motors plant in Scarborough were told by the company that the plant's operations are under review.

I contacted General Motors last night to express my concern about this announcement. I will be holding further meetings with their officials early next week.

The General Motors plant has been an important part of Scarborough's economy for over 35 years. In that time it has changed its production lines three times. However, yesterday's announcement has raised serious concerns among the workers and their families about the status of the plant.

In my meetings with General Motors I will urge the company to work closely with the workers to ensure that the Scarborough facility remains an important part of our community.

* * *

[*Translation*]

OFFICIAL LANGUAGES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, yesterday a committee of three aldermen of the City of Ottawa, three well-known Conservatives, including the "babysitter" alderman Michael McSweeney, passed a resolution to eliminate the city's advisory committee on official languages.

Mr. Speaker, this gesture was apparently as a form of reprisal against the Quebec National Assembly's passage of Bill 178.

Ottawa is the capital of our country and as such has an important role to play in preserving and promoting Canadian unity.

S. O. 31

Mr. Speaker, I want to appeal to all Members in the House of Commons and all my colleagues at the provincial and municipal levels in the National Capital Region to dissociate themselves from the comments made by the three aldermen. I think it is high time the Prime Minister told his friend Michael McSweeney about Canada's linguistic duality.

* * *

[*English*]

COMMONWEALTH GAMES

Mr. John Brewin (Victoria): Mr. Speaker, I notice that the Minister of State for Fitness and Amateur Sport is in the House.

Next week at the Commonwealth Prime Ministers meeting there will be an opportunity for the Government of Canada to persuade other governments in the Commonwealth to follow the sports policy that this government has introduced in respect of apartheid in South Africa. I would urge the government to use this opportunity and to ensure that from here on the Commonwealth Games are boycott free.

* * *

[*Translation*]

TAXATION

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, Canada must adjust to current economic conditions and adopt a fair taxation system. Our new approach to taxation must include changes in the present federal sales tax. This is what the Minister of Finance (Mr. Wilson) had in mind when he proposed a new sales tax system called the goods and services tax. It is widely agreed that our present system, which puts a 13.5 per cent tax on most products manufactured and purchased in Canada, no longer reflects the economic situation in this country. The tax is obsolete and is detrimental to business development.

The system proposed by our government is modern, more flexible, and, most important, takes into account the situation of senior citizens and families on incomes below $30,000 annually. Mr. Speaker, it is clear the new system must be implemented as soon as possible.

Mr. Duhamel: Eighty per cent of Canadians don't agree.

ORAL QUESTION PERIOD

[*English*]

INDUSTRY

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I will pose my question to the Minister of Regional Industrial Expansion.

We learned yesterday that 2,500 jobs at the General Motors plant in Scarborough, plus hundreds more in the auto parts industry that supplies that factory, are now being put on the chopping block as a direct consequence of the free trade agreement.

Some Hon. Members: Oh, oh!

Mr. Axworthy (Winnipeg South Centre): I want to point out to the House that the loss of 2,500 jobs is no laughing matter. The Tories should not laugh about it.

Some Hon. Members: Hear, hear!

Mr. Axworthy (Winnipeg South Centre): I want to ask the minister a very simple question. What does the government intend to do to prevent the loss of these jobs in the vital auto industry in this country?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I should first point out that in automobiles there has been free trade since 1965.

In the last few years this particular company has invested about $8 million in Canada, quite a lot of it in the constituency of the member for Oshawa. This is a van production facility. There were two equal sized facilities, one in Ohio and one in Scarborough, which they are phasing out.

Mr. Riis: Guess which one they're keeping open.

Mr. Andre: They are closing both of them, as a matter of fact. They are closing both lines and consolidating in Flint, Michigan. In the meantime, they are looking for an alternate product line to produce in Scarborough.

What happened yesterday was the prudent kind of indication to employees that changes are coming. But that is a part of the operations of this company which has been operating under free trade since 1965, much to Canada's benefit.

Mr. Axworthy (Winnipeg South Centre) Mr. Speaker, I want to simply point out to the minister that there was an auto pact in this country. It is this government that removed the safeguards and removed the tariffs. It is this government that is responsible for the loss of jobs.

As a consequence, we want to know from this government what proposals it is going to make at the automobile working group. Is it supporting a 60 per cent content rule? What proposals will the government make to provide for the protection and enhancement of jobs in the vital automobile industry?

This government has the responsibility. This government has to take some action. This government cannot avoid the basic consequence that it signed a rotten deal.

Mr. Andre: If the hon. member is assigning responsibility for these things, presumably he will equally assign credit to this government for the over million and a half jobs generated. Surely he will assign credit to this government for the tremendous automobile trade surplus we have been enjoying and continue to enjoy because of the policies of this government. Perhaps he will recognize all of those factors.

• (1120)

As his colleague and former finance critic had indicated, the Liberals will attempt to blame every sparrow that falls on the free trade agreement. This is another attempt in this regard.

I remind him again, in terms of trade in automobiles, the operation of the automobile industry, the rules in place today have been in place since 1965.

[*Translation*]

Mr. Axworthy: I have a supplementary, Mr. Speaker. The Minister says there will be more jobs. However, according to the report based on serious studies on free trade conducted by this Government, and according to other studies by the private sector, and also according to the Canadian Labour Congress, 60,000 jobs have already been lost as a result of free trade. When will this Government start taking seriously the right of Canadians to know what the consequences are of free trade? I request a public examination by Parliament on the subject of free trade and Canadians jobs.

[*English*]

Mr. Andre: Mr. Speaker, the hon. member and Shirley Carr are surely the only two people in Canada who take that list and those numbers seriously. That was a pathetic, ridiculous list. I am surprised that an aspirant to the leadership of his party would be so naive as to repeat those numbers.

Mr. Axworthy (Winnipeg South Centre): Where are your studies?

Mr. Andre: Our studies show that since free trade was introduced, the number of new jobs created in Canada is 189,000. The hon. member over there is talking about the studies. These are Statistics Canada numbers. These are not inventions of Shirley Carr. They are Statistics Canada numbers.

Mr. Duhamel: Are they your invention?

Mr. Andre: The numbers indicate the economy is continuing to percolate along, as it has over the last five years. As long as we are saved from the kinds of policies the hon. member would introduce, the economy will continue to percolate along.

Hon. Herb Gray (Windsor West): Mr. Speaker, I, too, have a question for the Minister of Regional Industrial Expansion. I want to say to him that his words are no consolation for the 2,500 Canadian workers in Scarborough who are going to lose their jobs because of the government's lack of commitment and action.

I also want to say this to the minister: Does he not realize he is not here to make excuses for General Motors? I ask the minister, therefore, why will he not make a commitment today to preserve those 2,500 jobs at Scarborough? Why will he not on behalf of the government stand up today for Canada and Canadian workers?

Hon. Harvie Andre (Minister of Regional Industrial and Minister of State for Science and Technology): Mr. Speaker, what happened yesterday was a corporation, General Motors, indicated that it is changing the production because of changing markets, because of changing needs in its company. The vans that had been produced there and in Ohio in roughly equal numbers will no longer be produced. They informed their employees of that fact. They are looking for other operations.

General Motors is well aware, as are most Canadians, that Canadian auto workers are very productive. In fact, that is the reason we enjoy a tremendous surplus in automobile trade with the United States.

General Motors has a facility there with very productive workers. It is searching for a replacement for the van. It is in their interests to find that replacement.

I do not know why the hon. member feels it is appropriate today to do the Chicken Little routine and say the sky is falling. It may not be falling.

Mr. Gray (Windsor West): Mr. Speaker, before this government came into office and before this minister became the minister, the automotive industry was sufficiently competitive that jobs were moving to Canada and staying in Canada.

[*Translation*]

I want to ask the Minister to acknowledge that since the Government's free trade agreement was implemented, we have lost jobs and plants to the United States. Why won't the Government admit today that the Free Trade Agreement is a disaster for our country?

[*English*]

Mr. Andre: Mr. Speaker, the unemployment rate is lower than it has been for some eight or nine years. Since January there have been 189,000 new jobs created in Canada to add on to the over 1.5 million over the last four years. I realize that it is disappointing news to the opposition to have the economy continue to perform that way, but we do not think that is disappointing news.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the same minister. I choose my words with care. Just a minute ago he misled the House. I want to find out if he did it deliberately or inadvertently. I want to give him a chance to clear the record.

Mr. Charest: Order.

Mr. Broadbent: That is perfectly in order. I want the minister to clarify it.

He said that we are operating under the same rules today as we were in 1965. In 1965 investment requirements were established in Canada for U.S. firms in this industry to make sure we got our jobs. As a result of the free trade agreement in place now, those investment requirements are gone. That is to say the rules are

different today because of what the Conservative Government did than what they were in 1965.

Will the minister confirm that the rules have changed, that there are no longer Canadian investment requirements, and that they have been removed by this government? Second, what is to prevent in the future GM, Chrysler in Brampton or Ford in Oakville from moving lock, stock and barrel if it is in their financial interest out of Canada into the U.S. as a result of the removal of the investment safeguards by the Conservative Government?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, this debate was had last year. We went over it *ad nauseam* last year.

The hon. member is talking about safeguards which are so far away from the reality today as to be totally meaningless. That debate was held last year. The people decided. I do not understand. Is he a sore loser? Why does he keep coming back to something that is over and done with and established?

He surely is not claiming that the decisions announced yesterday had anything to do with that safety mechanism that was there in 1965 which was proven to be unnecessary, irrelevant and totally divorced from the reality of what is going on.

Mr. Broadbent: Mr. Speaker, the minister knows that his own government ministers since 1984 have cited the investment requirements—they used to—and correctly pointed out that General Motors normally exceeded the requirements. Now that the government has removed the requirements they pretend they are useless.

I want to ask the minister this. Given the great rationalization that is going on in that industry throughout this continent, why should any Canadian now working in the industry, and there are over 100,000, believe that when future investment decisions are made, whether by General Motors, Chrysler or Ford, that these investments will take place in Canada? They are no longer required to do it. Immense political pressure is building up in the U.S. Why, I ask again, will the industry—given the choice between expanding in Canada and the U.S.—not move to the U.S.? What is going to keep those jobs?

Mr. Andre: Mr. Speaker, I hope the hon. member is not suggesting that the $8 billion of investment by General Motors was because of the safeguards and I hope he will agree with me that that money was invested by GM because it recognized that Canadian workers are very productive, that it can make a good profit margin on production in Canada. That is why it made the investment.

The hon. member seems to suggest the only way we can keep investment in Canada is by putting up barriers and forcing people to stay. Today's *The Globe and Mail* has an interesting article which states: "Freightliner Canada Ltd. plans to build a freight truck assembly plant in the southwestern city of St. Thomas and should eventually employ up to 1,200 people". They are not forced to do that. They are doing it because it makes good sense to them. Those 1,200 people are going to appreciate the work.

[*Translation*]

Hon. Edward Broadbent (Oshawa): Mr. Speaker, today it was reported that Chrysler, which currently has plants in Brampton, is about to make a decision to transfer its production to the United States within a few years. My question to the Minister is quite straightforward: Tuesday, the Government refused to entertain the findings of to studies on the impact of the FTA on employment in this major industry. Would the Minister be prepared to talk directly to the presidents of Chrysler, General Motors and Ford about their intentions for the future, in order to protect investment and employment here in Canada?

• (1130)

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, we have an ongoing dialogue with the automobile industry, both the big assembler and the pack-parts companies and so on, to ensure that Canada remains a good place to do business and to ensure that they continue to invest here. The success of those kinds of discussions is evidenced by the tremendous investment we have had in this industry. For instance there is the indication from Freightliner of a new truck assembly plant in Canada. We will continue to do that in the future.

I would ask the hon. member to have more confidence in Canadians, we can compete. We have shown in the past and we will show it in the future.

THE ENVIRONMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Acting Minister of the Environment, the minister who is acting on behalf of Canadians.

This week we learned that contaminants which potentially cause cancer and brain damage are being found in the Great Lakes. The situation is so serious that the minister of health himself pointed to problems with foetuses, native populations and others.

Can the Acting Minister of the Environment explain who in the federal government authorized the dredging in the St. Clair River, the dumping of contaminants which are potential cancer causing contaminants directly into the open waters? Who authorized that and why was there not an environmental assessment done?

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, some of these questions were raised yesterday and it was pointed out that the government has acted, monitoring has taken place. The results of this monitoring process, which has been ongoing for some time, does not give rise to the kind of alarmist statements that have been made by the hon. member and by others. In fact, one of the authors of the report pointed to the need for further research before some of these so-called health effects can be substantiated.

It would behove us to get behind the new programs that have been worked out with American jurisdictions, the provinces and municipalities in the area and, indeed, the industry, to make sure that the $125 million that has been announced to address some of these questions; the health effects, remedial action and preventive action, is used to lever similar initiatives from other jurisdictions and that we get on with job.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, Canada was embarrassed on the international stage yesterday when the Council of Three Fires of Walpole Island told the IJC that they are forced to take the Canadian Government to court to stop the dumping of hundreds of contaminants, which have the potential to cause cancer and brain damage, in the drinking water of approximately 45 million people living on the Canadian and American sides of the border.

I would like to ask the Acting Minister of the Environment; who authorized the open dumping of the contaminants that are now being dumped by the Canadian Government, by the Department of Public Works, into the St. Clair River? Who authorized that and who is going to take the responsibility for the potential health damages?

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, I can tell the hon. member that my colleague the minister who—

Ms. Copps: He's in Paris.

Mr. Oberle: —is on an urgent trip to Europe to consult with environment ministers there. She herself would admit that the issue of the environment is a global issue, an international issue. We are recognized as having assumed a leadership role in certain critical areas. My colleague would want to verify the evidence that has been induced before we would want to examine it any further.

Ms. Copps: It's in the courts.

* * *

MUNICIPALITIES

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister. In Newfoundland there are approximately 49,000 homes without adequate water or sewers. This will only be remedied if $1.3 billion is found.

Is the Deputy Prime Minister aware of raw sewage being dumped into lakes, rivers and harbours across Canada and would his government today, in this House, make a financial commitment to Canadians to address this potential environmental disaster as recommended by the Institute for Research and Public Policy?

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, the government is aware of situations where municipal sewers are discharged into harbours and into other environments. I can tell the hon. member that, yes, we take this situation very seriously. We have signalled our concerns to the provinces and municipalities which have the principal responsibility for the clean-up and the adherence to the environmental standards that we have already.

Mr. Mac Harb (Ottawa-Centre): Mr. Speaker, using the minister's own words that the provinces and the municipalities should pay for the repairs of their sewage systems, where does he

expect the people of Newfoundland to come up with $1,300,000 to repair their sewer systems? The total package is $5.7 billion to repair the sewage systems in Newfoundland. Where does he expect the people of Newfoundland to come up with that kind of money?

Hon. Frank Oberle (Minister of State (Forestry)): I do not want to appear flippant or parenthetical about my answer, but the people of Newfoundland have the same sources to come up with money as has the federal government. As the hon. member knows, we are in a very tight fiscal situation. Unfortunately, there is only one source of money and that is the taxpayers of Canada. We are dipping into the same pocket that the province of Newfoundland would have to dip into.

I should, however, point out to the hon. member that there are programs that the federal government has engaged in with the province of Newfoundland, such as transfer payments and other assistance, that help the provinces to maintain certain minimum standards that are desirable throughout our country.

* * *

HOUSING

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my question is for the Minister of Housing. Yesterday the minister announced the release of federal lands at Vaughan near Toronto for housing.

The minister indicated that only 25 per cent or 600 units of the 2,500 homes, will be affordable housing. Is the minister aware that already this morning four respected Toronto housing groups have, in a press statement, criticized him for not specifying how many co-operative and non-profit housing units will be built. Will the minister now tell this House how many non-profit and co-operative housing units will be built on the lands at Vaughan?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, as I am sure the hon. member is well aware, the whole process of developing land for housing entails the putting together of a plan of development and the obtaining of approval of that plan from the local municipality and all of the other authorities that are involved in that process.

Obviously until the firm plan is settled and has been worked out with the town of Vaughan, the region of York and the province of Ontario, it is impossible to designate specifically where the housing that will be available for non-profit groups and for co-operative housing groups will be located.

But we are committed to providing a minimum of 25 per cent affordable housing in accordance with the province of Ontario's guidelines. We will be doing our best to maximize the amounts available not only for first-time home buyers but also for the non-profit groups.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, the minister is aware that the 25 per cent affordable housing provision is simply the minimum requirement of Ontario. Why is the minister acting like any other developer? He is only doing what is required by Ontario. How can he justify a policy that subsidizes the rich and slams the door on the poor?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, as the hon. member has stated, the 25 per cent is indeed a minimum. That is what the announcement I made yesterday indicated, that it certainly was a minimum and that we were going to do our best to make sure that it was much higher than that. Affordable housing, in the definition of the province of Ontario, does not just include non-profit and co-op housing but, of course, includes housing for first time home buyers.

• (1140)

We would hope that we would be able to maximize the number of homes available for first time home buyers and also for the social housing groups as well. I am sure the hon. member and all Canadians will be most happy when this development has been built and completed.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, the finance committee is currently holding hearings in Ottawa and across the country on the goods and services tax. These have been and continue to be very productive meetings across the country. However, rumours and reports today indicated that the Minister of Finance is about to introduce GST legislation. Would the minister assure the House that this is merely a draft bill for discussion purposes?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I can confirm that to the hon. member. We are proposing only to release draft legislation. The draft will put into legal language a number of elements that were set out in the technical paper. We have been encouraged to do this by the chairman of the finance committee, as my colleague fully understands, as well as by the legal and accounting communities who are anxious to see what

the legal words of the technical requirements of the proposal are so that they can make specific comments on the technical aspects of the proposed bill.

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CANADIAN ARMED FORCES

Mr. Joe McGuire (Egmont): Mr. Speaker, last Friday the Minister of National Defence quoted a statement from an editorial in the Summerside *Journal–Pioneer* to support his decision to close CFB Summerside. It was a misrepresentation of the newspaper's position and the minister knew it. He also deliberately misled the House when he quoted these—

Some Hon. Members: Order.

Mr. McGuire: —search and rescue statistics.

A statement from the *Journal–Pioneer* last Tuesday really demonstrates how the paper feels, and I quote: "Defence Minister Bill McKnight has displayed both arrogance and truculence while questioned in the House. But he added a new ingredient during Question Period on Friday, deception".

Will the minister apologize to the *Journal–Pioneer* for his misleading statements of last Friday. Will he stop playing politics with people's lives, and will he open a public inquiry to determine what the real situation is in regard to search and rescue?

Mr. Speaker: I want some clarification from the hon. member who just put the question. I heard "misleading". I did not hear "deliberately". I want a clarification of that.

Mr. Jelinek: He said "deliberately".

Mr. McKnight: I want an apology, not a clarification.

Ms. Copps: Oh sit down.

Mr. Gauthier: How about Prince Edward Island?

Mr. Axworthy (Winnipeg South Centre): Now you're being arrogant and truculent again.

Mr. Speaker: I am sorry, I would like to know what the hon. member said and then I will decide whether there should be an apology.

Mr. McGuire: If I used the word "deliberately", I did not mean it, but I did mean "misleading".

Mr. Andre: You said he knowingly mislead the House. That's what you said.

Ms. Copps: Well he did.

Mr. Jelinek: You have it written down right on your notes. Liar. You have it written down on your notes.

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I serve notice now that I will raise a question of privilege at the conclusion of Question Period.

Mr. Jelinek: He has it written down.

Mr. McKnight: The hon. member suggests that I misled the House. Mr. Speaker, the article is under the heading called "Editorial", located where the editorial is usually located in the *Journal–Pioneer*. It was not an Op–Ed. There was no attribution to another newspaper that would suggest that this was not. What it does say is: "It is unfortunate, however, that one shall benefit—" There is one line, "but we are ready to receive it nevertheless, says the Halifax Chronicle–Herald."

This does not say in any way that it was an editorial reprinted from the Halifax *Chronicle–Herald*. It says,

> It is unfortunate, however, that one shall benefit while another suffers. Nova Scotia did not seek the major source of Summerside's pride and economic support, but we are ready to receive it nevertheless, says the Halifax Chronicle–Herald.

What I am saying and what I will continue to say—

Some Hon. Members: Apologize.

Mr. McKnight: Hon. members are yelling "apologize". If I implied there was any intent to the lack of editorial integrity or the lack of editorial ability by the Summerside *Pioneer–Journal*, which has to take an editorial and place it as an editorial from another newspaper, I apologize.

What I would like to say to the hon. member and to the people of Summerside is, this decision was not an easy decision. This decision was made because $2.74 billion was reduced from the defence department's

budget. The $2.74 billion meant we had to change what we were doing. Operational efficiencies have not been jeopardized. A savings of some $900 million will be acquired by the Government of Canada over the next 15 years to use in the security of Canada through the Department of National Defence.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my supplementary question is to the Minister of Employment and Immigration, who is also the chairperson of the federal—provincial task force looking into the closure of CFB Summerside.

Since the announcement of the closure approximately six months ago, the economy of Summerside and area has been devastated, mainly due to lack of confidence. Immediate action is required. The people of Summerside need a real federal commitment, otherwise the damage may be irreversible. When is the minister going to make an announcement that will provide jobs and will restore the much needed confidence within the community?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I thank the hon. member for her question. We have been working very hard on this issue, together with the province.

We have three federal—provincial working groups looking at alternate uses of the physical assets of CFB Summerside, potential alternate public sector activities for the Summerside area, on which I am working very closely with my colleagues here, and industrial incentives and activities necessary to attract private sector investment to Summerside.

I have had two meetings of the federal—provincial joint committee with Mr. Morrissey. The task forces have been meeting and Mr. Morrissey and I will be meeting again in the very near future to discuss our progress.

Like the hon. member, I am anxious to work with the province so that the two of us can come up with something that will be helpful to the future of Summerside.

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PUBLIC SERVICE

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the President of the Treasury Board.

In prisons across Canada over 1,000 workers, including correction services officers, parole officers, recreation and training programmers have been without a contract for over two years. Next Friday they will be in a legal position to strike, erecting picket lines that guards will not cross. With the security of Canadian prisons at stake, why has the minister let things get so far out of hand, and what will the minister do now to settle this lengthy dispute?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we negotiated in good faith with all the groups in the Public Service Alliance of Canada and reached a settlement that was not ratified by this particular group of some 1,500 employees. They elected to ask the PSSRB to appoint a conciliation board. That conciliation board has yet to report, and until it does, I think it would be inappropriate for me to give a government response to a report that we have yet to receive.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the member did not ask for a response to the report, the member asked for action. My supplementary question is directed to the Solicitor General.

If these workers do go on strike, as may happen, 8,000 parolees will be without supervision in towns and cities all across Canada. Inmates in prisons will be without training or recreational opportunities and, in my view, lives will be endangered. When is the minister going to act?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I can say that Correctional Services Canada is well aware of the situation. We are waiting for the report, as my colleague, the President of Treasury Board said earlier. We already have a contingency plan, which includes the assistance of police authorities, to ensure the security of Canadians, because the security of our citizens is paramount. Furthermore, my officials, both at Correctional Services and those involved in the contingency plan, have assured me that in any case, if anything happens and people cannot be supervised in the usual way, the security of our citizens will be guaranted at all times, Mr. Speaker.

• (1150)

[*English*]

PORK INDUSTRY

Mr. Ross Harvey (Edmonton East): Mr. Speaker, late last week the Alberta government decided to step in and clean up the mess left by Peter Pocklington at his Gainers meat packing plant in Edmonton. At least 1,200 jobs have been saved.

Now we read where Bill Janklow, the former governor of South Dakota, and the man who called out the state troopers to block Canadian hogs from his state, says this bail-out is countervailable under the free trade agreement. He wants new duties imposed against Canadian hogs. And the American National Pork Producers Council is watching.

In the absence of the Minister for International Trade my question is directed to the Deputy Prime Minister. What is the government going to do to let our American cousins know, with all due respect, that actions taken by our governments to preserve our meat packing industry and the jobs of hundreds of our citizens is none of their business?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I think the hon. member is aware that there is, at the present time, a 3.6 cent per pound countervail that has been imposed as a result of a countervail claim that was made by the United States of America. That issue is being fought by the Canadian Government and by the pork producers and the Meat Council of Canada through two specific areas, through the GATT and through section 19 of the free trade agreement.

Thanks to the free trade agreement, we have an opportunity now to deal with this dispute in an objective and an impartial way, and I am confident about the outcome.

The fact that the Alberta government has taken over Gainers certainly has no bearing upon this at this particular time. Just because there has been a change in ownership, I do not believe that would constitute an action for countervail.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, thanks to the free trade agreement, as the minister well knows, we have the opportunity now to find out whether or not the Americans are applying their own law fairly according to their law. He knows, further, that especially the $10 million guarantee that the Alberta government is giving to Gainers is precisely that which, among others, the American Pork Producers Council is considering as to whether or not it is countervailable.

Again I ask the minister. What is this government going to do to stick up for Canadian jobs in Canadian meat packing plants against the predations of Americans?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Well, I am making progress, Mr. Speaker. The hon. member now says the American government is considering. It is quite well in order for producers in America to make representations to their government, as producers in Canada make representations to this government.

The producers in this country know very well that this government stands up for them, and we are working together in fighting this issue. It is based upon a GATT decision but fortunately we have a free trade dispute resolving mechanism which will be more effective, more impartial, more objective, and more successful.

* * *

FISHERIES

Mr. Peter L. McCreath (South Shore): Mr. Speaker, my question is for the Minister for International Trade but, in his absence, I will address it to the minister responsible for small business and tourism.

There is considerable concern among lobster fishermen in southern Nova Scotia about a protectionist piece of legislation now before the U.S. Congress and supported by Senate majority leader George Mitchell of Maine, that could block the export of Nova Scotia lobsters to the United States.

Clearly the bill represents a trade distorting action that violates both the GATT and the free trade agreement. What action is the Government of Canada prepared to take to protect Nova Scotia's $100 million lobster industry?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, in reply to my hon. friend, I remind him that of course this is just a proposal. It is not a passed piece of legislation. It is a proposal which we find objectionable on scientific grounds. We also find it objectionable in terms of enforcement. We do not find it consistent at all with GATT or with the FTA and we

delivered a message to that effect a week ago today. We will continue to pursue this very vigorously.

* * *

FAMILY VIOLENCE

Ms. Mary Clancy (Halifax): Mr. Speaker, my question is for the Minister responsible for the status of women. In June, 1988 this government committed $40 million to a so-called family violence initiative. Twenty-two million dollars of this was to go to CMHC for something called Project Haven. As of 9.30 this morning, 16 months later, the total moneys taken up in Project Haven amount to $803,120 for a total of 20 rooms.

One million Canadian women can expect to be assaulted in this country in the near future. Could the minister tell us how much good she thinks 20 rooms will do?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, we commissioned a report which was released at the meeting in Montreal. We find it very helpful in aiding our understanding and raising awareness of the issue. We share the very serious concerns that the authors have raised and we will use our program effectively in combating those most disturbing attitudes and practices.

Ms. Mary Clancy (Halifax): Mr. Speaker, I am sure that is very reassuring to the one in four women in this country who are assaulted before the age of 17.

The Canadian Advisory Council on the Status of Women says that workers against family violence across this country are saying, "Where is the money, what has been done with the other $18 million?"

My question again is for the minister responsible for the status of women. Would she commit herself to report to the House what is being done with this money, can we see where the money is going and can we do something rather than raise the awareness? The awareness is there. Let us have some action and let us see where the dollars are.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I appreciate the hon. member's concern, and I think that she knows it is shared by myself and the members of this government.

The $40 million that we announced in June, 1988 was the largest single increase ever in funding on family violence issues. There are a variety of components in it, as well as public awareness. I will be very happy to look into the particular issue that she has raised, and she knows that I have done that before and will continue to do it.

However, I do want the House to know that this government has made very strong efforts on behalf of the women who face these very terrible difficulties.

* * *

VIA RAIL

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, my question is for the Minister of Transport. Recent cut-backs to VIA Rail services, combined with curtailment of other railway activities, intentionally promoted by this government in the past have caused undue hardship throughout my province of New Brunswick and Canada.

If the government persists with these actions, can the minister explain what economic adjustment programs will be put in place to assist communities and those segments of the population, like senior citizens and students, which will be severely affected by these cut-backs?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, indeed the government is aware of the different applications of decisions that we have made. We have at different levels and different departments, like employment and immigration, regional development, ACOA, and so on, different ways in which we will be able to help people.

However, I do not believe that it is basically something which has anything to do with the cuts at VIA Rail. I believe, once again, that the decision has been made in the best interest, and if there are any hardships anywhere, they will be considered under all government programs.

[*Translation*]

Mr. Guy H. Arseneault (Restigouche): I have a supplementary question. New Brunswick needs financial assistance from the federal government to repair and improve its highway system, which is in pitiful condition.

Following the VIA Rail cuts, can the Minister explain to us what he intends to do to help New Brunswick and the other provinces whose highway systems are in the same deplorable condition?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I think that my colleague is aware that Canada's highway system is in provincial jurisdiction. So the responsibility for such an initiative rests with the province of New Brunswick.

However, at the last meeting of provincial transport ministers and myself a few weeks ago in Calgary, we decided to continue work on a national highway policy. We are at the third stage of determining some technical points.

Obviously, the federal government in its present financial condition cannot make any commitment to give money to the provinces.

Nevertheless, as this policy is developed, some points are taken into consideration and I think that when the time comes, we will be able to have the necessary discussions.

Once again, I do not want to leave the impression that we will invest any money, for now. We cannot afford it. We will continue to work with the provinces, as was agreed in Calgary in September.

* * *

• (1200)

[*English*]

PROPOSED GOODS AND SERVICES TAX

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Finance. I have a copy of a study done by Tristad Resources based on a Statistics Canada model. It shows that after one year of GST, 100,000 poor people who got the tax credit the first year will receive nothing in terms of a tax credit and after five years of operation, because of partial indexation, some 400,000 families will not receive a tax credit.

What I want to know from the Minister of Finance is whether or not he will confirm those figures and that because of partial indexation the poor people of this country, some 100,000 families, after one year will receive nothing, and after five years 400,000 families will receive nothing from this Minister of Finance.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let us start from ground zero. When we came into office there were no refundable sales tax credits to low income Canadians to offset the burden of sales tax. We introduced a refundable sales tax credit in 1986. We increased the threshold from $15,000 to $16,000 a year later—to $18,000 recently—and it will be going to $25,000 with the introduction of the goods and services tax.

I think the hon. member will acknowledge, I am sure, that the number of people who will be receiving this sales tax credit has increased considerably over the years and will increase even more as we move toward the introduction of the goods and services tax.

Just to put a dollar amount on this, the federal sales tax credit is $1.2 billion now and will be $3.6 billion with the introduction of the goods and services tax credit.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the refusal of the minister to answer the question of course confirms that the GST means that after five years 400,000 families that are poor will lose the entire tax credit, and another 300,000 families will lose part of their tax credit.

I want to know from this Minister of Finance why he is taking a mean spirited approach in attacking poor people in this country by introducing the GST which will take money out of their pockets.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know how he can characterize me as being mean spirited when I have been at the heart of the introduction of the refundable sales tax credit that is providing the offset to those people in low income brackets.

Now in specific response to the question, surely he understands that we review these matters, these thresholds on a regular basis. As I have indicated, the threshold was originally $15,000, then we increased it to $16,000, then to $18,000, and with the goods and services tax credit we will be proposing to increase it to $25,000. With the amount of people who are benefiting from the reform of the income tax system as a result of the review

of the thresholds at which people start paying tax, 850,000 Canadians were taken off the tax rolls. This is an indication of how this government is responding to the needs of low income Canadians.

* * *

PRIVILEGE

STATEMENTS ARISING FROM QUESTION PERIOD

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I take this opportunity to ask the House and to ask you to review a question that was put by the hon. member for Egmont. He is a member with whom I have no difficulty in putting forward the cause of his constituents and those who sent him to this House. However, in suggesting when reading from an editorial of September 26 from the Summerside *Journal–Pioneer* that I have deliberately mislead this House, I ask you, Sir, to let me read from an editorial of October 10 from Summerside's *The Journal–Pioneer* entitled, "An Apology and Clarification from Minister McKnight is now in Order". I will read one part. "Speaking of an error in judgment perhaps *The Journal–Pioneer* learned a lesson as to how not to do things in the future. If one is going to reprint an editorial from another newspaper that is opposite of the editorial stance, and in this case, *The Journal Pioneer*, one should choose carefully the position on the editorial stage to which to reproduce that editorial. If it is reproduced at the top left–hand side of the page under editorial heading, then perhaps there should be a lead paragraph emphasizing that the comments are being reflected and reflect the editorial position not of *The Journal Pioneer*. Perhaps more than one credit line should appear throughout the reproduced editorial so there would be absolutely no doubt that the editorial was being reproduced from another newspaper."

I believe that the hon. member who read his question into *Hansard* may wish an opportunity to observe what he said. Again, I emphasize that I have no problem whatsoever with the hon. member putting forward a position on behalf of his constituents, but I do request that the rules and traditions of this House be maintained.

Mr. Speaker: The Hon. Member for Egmont.

Mr. Joe McGuire (Egmont): Mr. Speaker, in the same editorial that the minister just quoted from, they also make it clear that in their editorial *The Journal Pioneer* clearly attributed the reproduced article to the *Chronicle Herald*.

In the answer last Friday, the minister did not give any credit to the *Chronicle Herald*. He gave the full credit to the *The Journal—Pioneer* and its editorial stance. This is why we asked for the apology. The minister had to know since last spring that *The Journal—Pioneer* in no way supported the move of the 880 Squadron or the 413 Squadron from Summerside to anywhere else in Canada. The minister knew that and when he answered my question last Friday I think he misled the people of Canada, the people of Prince Edward Island, and the people of this House that this was not the editorial stance of *The Journal—Pioneer*.

But if I said "deliberately" earlier in Question Period, I withdraw those remarks and apologize.

* * *

POINT OF ORDER

THE ENVIRONMENT

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, perhaps you would permit me to set the record straight in a response to a question from the hon. member for Hamilton East. In that answer perhaps I was too evasive. The reason is that the matter of the dumping or the dredging of the St. Clair River is a serious issue, but it is before the courts so I was intentionally evasive.

However, I should have pointed out to the specific question of the hon. member that the area where the material is being dumped is under the jurisdiction of the Ontario Ministry of the Environment. It is that agency that issued the permit for the dumping of the material.

The Departments of the Environment and of Public Works did examine the material and there is no evidence of any toxicity within it.

* * *

PRIVILEGE

STATEMENTS ARISING FROM QUESTION PERIOD

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I rise on a question of privilege. Earlier today in the Question Period the Minister of Regional Industrial Expansion made a mis–statement. I said that he misled the House—and I did not say at the time when I raised it whether it was deliberate or otherwise—when he said that the rules

in place in automotive trade between Canada and the U.S. today are the same as they were in 1965.

That, of course, as I pointed out in my question is totally false. They were changed. From 1965 up to the trade deal there was a Canadian content requirement in law, in the agreement, between the two countries. The trade deal negotiated between the Government of Canada and the United States removed that Canadian investment requirement, i.e., the rules have changed. They are not the same today as they were in 1965. I gave the minister an opportunity to correct that statement. He did not so in the answer. I give him the opportunity again right now.

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, in my reply to the hon. member's question earlier I did indicate that the safeguards to which he is referring are totally irrelevant to what is, in fact, happening now. For example, if Canada were only to produce to the level of the safeguards that were in the Auto Pact Agreement, we would have one-half of the number of people employed in the auto industry that we have today and one-third the activity.

• (1210)

In other words, these safeguards are totally irrelevant to what in fact is happening. That there are safeguards is beyond dispute. We argued that *ad nauseam* for months and months and had an election where that was the sole issue.

Mr. Broadbent: The rules are different now.

Mr. Andre: The question is whether, in fact, those safeguards had anything to do with the decision today. I maintain emphatically that the decision announced by General Motors had nothing to do with safeguards. The safeguards are irrelevant and they have been for 20 years.

Mr. Speaker: The hon. leader of the New Democratic Party has raised, by way of a question of privilege, what is essentially a disagreement between two hon. members of this place, the minister and himself. I do not know that it is going to be settled at this time. Both the hon. leader of the New Democratic Party and the hon. minister have given explanations of their positions. I think it is for others to judge how that is to be resolved. I must advise the hon. member that it is not a question of privilege.

The hon. member for Kingston and the Islands on a point of order.

* * *

POINT OF ORDER

STATEMENTS ARISING FROM QUESTION PERIOD

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, today the Acting Minister of the Environment, the Minister of State for Forestry rose on a question of privilege or a point of order in relation to an answer he had given during Question Period. The hon. member for Hamilton East who had asked the question has left the House and I would simply like to reserve, on her behalf, her right to address the House should there be a continuing point arising out of the minister's statement.

Mr. Speaker: We have a situation here where a minister, very properly, in order to clarify something that he had said in answer to a question from the hon. member for Hamilton East, rose at the first opportunity to give clarification. Naturally, if the hon. member for Hamilton East wishes to respond to that and she was not able to be in the House at that moment because she was, no doubt, busy with other duties I will, of course, hear her.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

TABLING REPORT OF THE COMMISSION TO REVIEW ALLOWANCES OF MEMBERS OF PARLIAMENT

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, pursuant to Standing Order 32(1), I have the honour to table in the House, in both official languages, a report of the Commission to Review Allowances of Members of Parliament.

As has been the custom in the past, I would presume that this report be referred to the Standing Committee on Management and Members' Services pursuant to Standing Order 32(5).

Routine Proceedings

PROPOSED GOODS AND SERVICES TAX

TABLING OF DRAFT LEGISLATION

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, pursuant to Standing Order 32(2), I wish to table at this time, in both official languages, copies of the government's draft legislation for the proposed goods and services tax and comprehensive explanatory notes.

This document fully reflects, in draft bill form, what the August technical paper would look like if it were put into bill form. I am tabling this document simply to fulfil our promise made in August when we released the technical paper to do so.

By translating the technical design of the proposed GST into legal language, the draft legislative provisions elaborate on the mechanics of the proposed tax and give greater precision to its operational detail.

As we indicated this summer, this is a further step in the GST consultation process and will assist the House of Commons Standing Committee on Finance as well as the professional community in their study of the GST technical paper.

To be clear, this is not a bill introduced into the House. That step must await the government's consideration of the report of the finance committee on the goods and services tax.

* * *

[*Translation*]

HOUSING

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, since my appointment as Minister of State for Housing, I have always been concerned about the problem of affordable housing. I try to help prospective homeowners and Canadians who are having trouble becoming homeowners.

[*English*]

We are all aware that some housing markets, such as the greater Toronto area, are overheated with demand outstripping supply. There is a serious affordability problem within the Toronto region and an important factor in this is the limited supply of suitable land available for housing.

Some months ago the federal government announced that 50 hectares, that is 135 acres of surplus federal lands at the Downsview Airport site in North York would be made available for housing, and at that time Canada Mortgage and Housing Corporation, the federal housing agency for which I am responsible, was given the responsibility for the development of that site.

Yesterday, I had the honour of announcing that the federal government has released another major site within the greater Toronto area in order to help address the housing needs of the region. The surplus land which the federal government is releasing on this occasion is a parcel of approximately 43 hectares, 106 acres. It is located in the town of Vaughan. This is expected to provide for up to 2,500 new homes.

Again, in keeping with the government policy with respect to the Downsview lands, it is our intention to serve a wide range of types of households. I anticipate that the new neighbourhood will be the home of between 6,000 and 8,000 people. The federal government expects that at least 25 per cent of the homes will meet the needs of young couples just starting out, of senior citizens and of disabled persons. What CMHC is striving for is an income-mixed community, providing a broad range of housing forms.

I might just say at this point that certainly that 23 per cent figure is a minimum, as I indicated in Question Period, but it remains to be worked out with the town of Vaughan as to the exact mix and the exact kind of community.

[*Translation*]

The federal Government will develop this land in close co-operation with the Town of Vaughan, the York region and the Ontario government, to ensure that this project is a success and benefits all concerned.

[*English*]

The town of Vaughan has been most interested in how this land would be developed since the time that it was declared surplus by Environment Canada with the decision to relocate the facilities of the Atmosphere Environment Service. I have therefore offered my assurances to the mayor and members of the Vaughan council that we will be working closely with them and their officials toward the realization of common objectives.

[*Translation*]

This land is being released as part of the Government's current policy of better management and reducing its land holdings, while taking steps to meet the housing needs of Canadians. These measures have made individual parcels of land available, like the Downsview property which CMHC is now developing.

[*English*]

As I have said since I was appointed Minister of State with the responsibility for housing, I have been looking for ways to address the very urgent needs for affordable housing in certain high-cost areas of our country. It was for this reason that I was particularly pleased to make this announcement. For me this is another step which I hope will bring really tangible results.

I want to thank my colleagues in the government for making this possible. It is a product of co-operation as well as a reflection of our commitment to sound management and the leadership role we are playing in housing in Canada.

The release of the Vaughan land is a result of a CMHC analysis of the development potential of the site which was conducted for the Treasury Board with the support of Public Works Canada. If we are to meaningfully deal with the housing needs of Canadians it will require the same spirit of co-operation on the part of all levels of government as well as from private and non-profit sectors, indeed from all Canadians.

• (1220)

At this time I would like to invite all Canadians to make their concerns known to individual members of Parliament and to the Government of Canada with respect to housing.

I would like to add special thanks to some of my colleagues, including the President of the Treasury Board, the Hon. Robert de Cotret, the Minister of Public Works, the Hon. Elmer MacKay, all the Treasury Board Ministers, my colleagues in the cabinet from the Toronto region, the Hon. Michael Wilson, the Minister of Finance, the Hon. Barbara McDougall, the Minister of Employment and Immigration, the Hon. John McDermid, the Minister of State for Finance and Privatization, and to say that this would not have happened without their help and co-operation.

One other very brief point I would like to make, Madam Speaker, is to point out and congratulate a former member of this House, the former member for Willowdale, John Oostrom, who played an important role in bringing this particular parcel of land to the attention of the House some many months ago. If it had not been for Mr. Oostrom's efforts at that time this land undoubtedly would not have been used for housing, and I think it is appropriate that we all express our thanks to John Oostrom and to all of our colleagues who have played a part in this announcement of yesterday.

Mr. Paul Martin (LaSalle—Émard): Madam Speaker, the decision announced by the Minister of State for Housing regarding the transfer of the Vaughan lands is to be applauded. The principle of surrendering unused government lands for housing development must be encouraged. It is unfortunate that no action is being taken elsewhere in the country where the needs are also acute.

In his statement the minister states that he is concerned about the problem of affordable housing, but nothing in his announcement guarantees that a good portion of these new homes will respond to that very need. What will these homes cost? What type of homes will they be? For whom are they really intended? How does the minister define affordable housing? There is no indication except to parrot what has been said, very properly, in Ontario. How much real consultation has there been with the municipality? The question is, what is the substance behind this announcement?

For several weeks now the Liberal task force on housing has been covering the country. Everywhere we have gone groups have denounced this government's withdrawal, its lack of interest in housing, its obvious lack of leadership in solving what is a fundamental crisis of poverty, affordability and accessibility in the country, the budget cuts which have crippled Canadians who seek affordable housing and the high interest rates which have added and exacerbated the very real problem.

For example, last spring this government announced the end of the rental program, the RRAP. This program was vital in order to renovate the existing low quality housing stock in the country. It was a program vital to allow families to live in decent and affordable housing.

No government which cut that basic program can claim to have any interest in the housing crisis in this country.

When I heard of the most recent announcement—I understand the Minister made many references to Downsview and I wish I could quote his comments on the lack of attention to Downsview when he was a private member as opposed to the minister—it really did bring to mind the inaction of this government. In that case, despite the statements, the good intentions, the laudable declarations, the heartfelt promises that we have heard, not one thing has been done. Not one unit has been constructed. Not a thought has been given to sewage systems or any of the tremendous costs of providing infrastructure. We do not know who is going to develop the land, who is going to pay for it or who is going to supervise it. This government makes announcement after announcement and then does nothing about it. There is no execution, no implementation because there is no commitment to solving the problem.

Is this what is in store now, Madam Speaker, for the Vaughan land? Must the community simply sit around and wait as people have waited for the Downsview implementation? When are we going to see something concrete coming out of this announcement? What Canada needs is a comprehensive housing policy that recognizes the real needs of this country. The government's decision to apply this land is one we all welcome, but it must ensure that it is done within the framework of a coherent policy, one that responds to the expectations of the people and to their socioeconomic problems.

[*Translation*]

Madam Speaker, Canadian men and women need affordable housing. The Government's programs should be aimed at filling this need.

[*English*]

Mr. Jim Karpoff (Surrey North): Madam Speaker, I am new to this House, and I guess I am a little bewildered. I had thought minister's statements were used to announce significant policy changes or significant programs, not used to do basically a small PR job which was already done in a press conference yesterday.

The minister has announced the release of the Downsview lands on which there are going to be 600 affordable houses. Canada has 1.2 million children living in poverty. Canada needs 100,000 affordable houses built every year, this year, next year, for the next five years, and the minister is announcing 600.

When asked by the press how he defined affordable houses he said, $150,000 to $200,000. What are we talking about in affordability? He has made no commitment that any of the 600 units will, in fact, be non-profit housing or co-op housing. He says that the government is going to meet the 25 per cent minimum required by Ontario. Where is government leadership? Why is the government not talking about 50 per cent or 75 per cent of the housing being affordable? We have a serious problem in this country. Thirty per cent to 40 per cent of Canadians do not have access to affordable, good quality housing. There are 1.2 million children living in poverty, and the minister is talking about fiddling around with 600 housing units.

When I heard yesterday that the minister was going to make a statement I thought we were going to have a statement that the government was embarking on a bold program that was going to attack the question of affordability of housing across Canada.

The Canadian Real Estate Association says there are 27 regions in this country which have severe affordability problems. The minister has made two peanut announcements dealing with one of them, in his own backyard of Toronto. This does not do anything for people in Edmonton, Calgary, Halifax or Vancouver.

There is an increasing question of credibility emerging around the Minister of Housing. When he was a backbencher he spoke eloquently. Since he has become minister he has taken no action. His announcement is like someone sitting on a sinking ship and bailing with a teacup—it is not even a teacup, it is a spoon.

Six hundred units of affordable housing does nothing to alleviate the problem across this country. I had hoped he was going announce a program where interest rates or mortgages were going to be reduced by 4 per cent, or that the government was going to fund municipal infrastructure, or triple or double the number of co-operative or non-profit housing, or bring in his favourite pet, a

speculators' tax which he advocated before he was a minister or restore the RRAP program. But we heard about none of these.

I am left with a bewildered feeling, and I think most housing organizations in Canada are being left with that same feeling. Where is the leadership? Where is the commitment? How long is the minister going to think that platitudes and inaction are going to really solve the problem?

* * *

• (1230)

[*Translation*]

UNITED STATES CONGRESS BICENTENNIAL

Hon. Jean Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Madam Speaker, I welcome this opportunity to present a motion anticipating the anniversary of an institution that is well known to the U.S. government and U.S. citizens, and with which Canada and Canadians are also familiar. I introduce this motion in a non-partisan spirit, Madam Speaker, since it refers to an event that a major institution will be celebrating very shortly, and that is the bicentennial of the United States Congress.

I shall now read the motion:

[*English*]

> That the Speaker of the House of Commons convey to the Speaker of the United States House of Representatives and the President of the United States Senate the good wishes of the House of Commons of Canada on the occasion of the bicentennial of the Congress of the United States of America.

[*Translation*]

Those were the contents of the motion, Madam Speaker.

[*English*]

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I want to simply say on behalf of the New Democratic Party that once again a similar motion has come before the House. We are quite prepared to support it and to send a message to our American friends.

I must say that it is tempting to enter into some debate, which of course we could do, to point out the advantages of the American system in terms of its checks and balances on the powers of the executive when it is acting not necessarily in the best interests of the people.

Since perhaps this is not the appropriate time to carry on with that debate, I simply say on behalf of our party that we are quite prepared to join with the government and with the Official Opposition in sending our greetings.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

VIA RAIL

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is an honour for me to present a petition on behalf of a number of residents of Kamloops, British Columbia, pursuant to Standing Order 36 and certified correct by the clerk of petitions. These people are very concerned with the government's intention to curtail VIA Rail service.

VIA Rail service plays an important role in our community. Many businesses depend upon it and thousands of people use it each year.

The government has not curtailed the service totally but has essentially gutted it. People are asking the government to reconsider this decision, to consider upgrading VIA Rail with new equipment, and to give it a sufficient budget to maintain its national mandate for passenger service.

NATIONAL ARTS CENTRE

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I am pleased to rise to present a petition pursuant to Standing Order 36.

The petitioners note with dismay the activities at the National Arts Centre in Ottawa this week. They call upon the government to take steps to resolve the difficulties that seem to be plaguing the National Arts Centre to save this jewel in Canada's cultural crown.

PROPOSED GOODS AND SERVICES TAX

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Madam Speaker, I rise to present a petition under the provisions of Standing Order 36. This is one of many from my constituents.

This petition is from the communities of Rossland, Trail, Warfield, Nelson, Fruitvale, Slocan and Winlan on the subject of the goods and services tax. It has been approved by the clerk of petitions.

The petitioners ask that Parliament reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations.

They further ask that Parliament cause the government to cease with the proposal which will shift the tax burden on to ordinary Canadians through our aggressive consumption tax instead of through real tax reform.

NATIONAL ARTS CENTRE

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, I rise under Standing Order 36 to bring to the attention of the House the serious crisis being faced by the National Arts Centre and the National Arts Centre Orchestra, which is considered an excellent world-class orchestra that has brought fame to Canada and its capital city.

There is the belief that the National Arts Centre Orchestra is in imminent danger of being damaged or even destroyed, and the petitioners call upon this House to implore the minister to see to some settlement of this very serious matter and ensure that the National Arts Centre maintain its orchestra at its current size and present standard of excellence.

PROPOSED GOODS AND SERVICES TAX

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, I have petitions with respect to the goods and services tax.

The grievance common to your petitioners is in the certain assurance that the House will pay some attention and provide remedy to the petitioners who believe that the goods and services tax is an unprecedented tax.

It is a grab from the pockets of Canadians and will hit them with not only higher taxes but with higher inflation, higher interest rates, and higher unemployment. They plead with the government to withdraw this tax.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, I am pleased to rise under the provisions of Standing Order 36 to present to the House this afternoon two petitions, both duly signed and authorized.

These petitions come from one of the small businesses in the Vernon area of my constituency, Athens Pizza, a number of whose customers have signed their concerns regarding the goods and services tax.

They feel that it is an unfair form of taxation because of its lack of regard for the taxpayers' ability to pay. They call upon the government to reject the current proposal for a goods and services tax and to cease with this proposal which will shift the tax burden on to ordinary Canadians through a regressive consumption tax rather than through real tax reform.

[*Translation*]

Mr. Guy H. Arseneault (Restigouche—Chaleur): Madam Speaker, pursuant to Standing Order 36, I have here a petition in which petitioners humbly pray and call upon Parliament to reject the proposed goods and services tax.

[*English*]

Mrs. Beryl Gaffney (Nepean): Madam Speaker, I stand here today pursuant to Standing Order 36 to present a petition duly certified by the clerk of petitions.

I am pleased to present this petition on behalf of some of the small businesses in Nepean and on behalf of their employees who are in strong opposition to the proposed 9 per cent goods and services tax. These constituents strongly oppose the tax as something that would have a deleterious effect not only on the economy but would cause inflation, unemployment and higher interest rates.

They humbly pray and call upon Parliament to reject the GST.

NATIONAL ARTS CENTRE

Mrs. Beryl Gaffney (Nepean): Madam Speaker, I have a petition to present pursuant to Standing Order 36 with regard to patrons of the National Art Centre and its fine orchestra, the National Arts Centre Orchestra.

They are very concerned that different measures being taken at the National Arts Centre in terms of its administration and in terms of the effect on the orchestra are going to have a very serious effect which they will not be able to overcome.

They humbly pray and call upon Parliament or the Minister of Communications to take steps that will eradicate this very difficult problem.

PROPOSED GOODS AND SERVICES TAX

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, I too am honoured to present additional petitions duly certified to be true and correct as to form and content pursuant to Standing Order 36.

On behalf of my constituents of Winnipeg North and of other Canadians beyond my constituency these petitioners oppose the proposed goods and services tax. They are convinced that the proposed tax will impose serious and unfair hardship on low and middle income Canadians. They further believe that it will impose onerous problems on small businesses.

The petitioners trust that this House will provide the necessary remedy and that the remedy is for Parliament to reject this proposed goods and services tax. They humbly pray and call upon Parliament to take the appropriate action.

• (1240)

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I have the honour and privilege, pursuant to Standing Order 36,to present a petition duly signed by a number of constituents who are protesting the government's grief and suffering tax.

These Canadians call upon the government to rescind this most unfair tax immediately.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, I ask that all the questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall all questions stand?

Some Hon. Members: Agreed.

[*Translation*]

The Acting Speaker (Mrs. Champagne): As agreed earlier today, the House will now proceed to consideration of Private Members' Business.

[*English*]

Do I understand that there is unanimous consent?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

REGIONAL DEVELOPMENT

ATLANTIC CANADA OPPORTUNITIES AGENCY

Mr. Rod Murphy (Churchill) moved:

That, in the opinion of this House, the government should consider the advisability of providing long-term regional planning for the Atlantic region through an expanded Atlantic Canada Opportunities Agency.

He said: Madam Speaker, it is with some fear that I rise today to bring this motion before the House, because last May 15 I had a similar motion before the House.

As the member for St. John's East will remember, government members talked about the need for the Atlantic Canada Opportunities Agency, its importance, and what great demand there was for that agency. They agreed with me about the subject matter that we were dealing with. They talked about the thousands of requests that were out there, and how important it was to the businesses in Atlantic Canada, how important it was to each of the provinces and the communities in Atlantic Canada. Unknown to them, I believe, at the same time the minister responsible for this agency was in front of a committee of the House of Commons announcing that he was cutting the budget for that agency.

I do not know how government members felt that day, but I think a number of members on the opposition side felt betrayed by the actions of the minister. Three government members rose to speak that afternoon. I suspect that government members felt very awkward having defended the agency that afternoon in the House of Commons.

They went through that exercise, explaining the need for that agency, only to find out that their minister, a minister from Nova Scotia, was in a committee room of this House saying that for budgetary reasons the agency was going to have to use its money over a much longer period of time, effectively reducing the amount of money available in each and every year for the next five years.

Obviously the demands which the members of all three parties had spoken about with some eloquence were not going to be met.

Since that time other announcements have been made by this same minister which have restricted the ability of the Atlantic agency to deal with the problems in that region. I remember the member for St. John's East getting up and saying that it is very important that decisions be made in Atlantic Canada by Atlantic Canadians. He made that one of the focal points in challenging the motion I had put before the House.

What I find interesting is that not only did the minister cut the funding which the Tory members had found to be so important for Atlantic Canada, he decided without consulting the board to change the criteria with regard to whom and what corporations are eligible for funding.

Let me explain that. Under the new criteria only certain firms will be eligible for funding. Only proposals that would require funding for over $200,000 would be eligible for grants. Well, that is a change in the emphasis of the program. It was a change made by the minister and by his officials in Ottawa; not by people in Atlantic Canada; not with the knowledge of the Conservative MPs, I suspect; not with the knowledge of the Conservative Premier of Nova Scotia; not with the knowledge of the people who are on the board, the people who are supposed to be "making the decisions on behalf of Atlantic Canada, by Atlantic Canadians", to quote Conservative members.

I am quite interested to hear the speeches later today to see what the minister might do to reverse himself yet again in the future.

I wanted to speak seriously about the importance of providing more funding to Atlantic Canada and how important it is to restrict through change the program criteria that the minister announced last spring.

One of the documents I want to refer to is a leaked document prepared by the Nova Scotia Government. It reads:

> ACOA's focus on very small companies weakens the ability of the province to attract medium and large industrial development.

That is a quote from the Nova Scotia Conservative government's response to what the federal Conservatives have done. In other words, it has said that the new criteria restricting the funding to less than $200,000 is preventing development of medium and large operations in Atlantic Canada.

It is not a New Democratic statement. It is not a statement on behalf of the Liberal party. It is a statement of the Nova Scotia Conservative government attacking the cut-backs and the change in criteria made by the minister responsible. I have forgotten his riding, but it used to be represented by the Prime Minister when he was looking for a seat before he received a seat in Quebec.

I remember going out to campaign against him in the by-election. One of the things the Prime Minister said at that time was: "Elect me and we will look after you. Elect me and I will make sure that the concerns of Atlantic Canadians are on the front burner. Elect me and I will make sure that you have the funding that you need".

That is not what the government of Nova Scotia or the Premier of Nova Scotia who campaigned for the Prime Minister in those days are saying. They are saying that by cutting back the funding, restricting the amount of money that is available and changing the criteria you are preventing Nova Scotia, New Brunswick, P.E.I, and "the rock" from developing in the way that they need to develop.

Let us look at the other cut-backs. Which part of the country was hurt most by the VIA cuts? Atlantic Canada. Where does the most vociferous protest come from with regard to the cuts? Atlantic Canada. Which area has improved its usage of VIA in response to the Deputy Prime Minister's challenge? It was Atlantic Canada. Which area of Canada feels most betrayed by this government with regard to the VIA cuts? Again it is Atlantic Canada.

Let us consider other areas of economic development. The federal government basically announced this fall that there will be half as much money for tourism in Atlantic Canada as there was in the past, in an area which is starting to boom, where there is growth. There are more American tourists coming up and more Canadians going to Atlantic Canada. This is a sector which employs people, where small businesses do very well, where the local communities all benefit, and the federal government says: "We are cutting that back".

Not only is it cutting it back by half but it has decided that from now on it will not be a separate fund. It has to come from the funding for ACOA. In other words, the

funds that were just cut on May 15 not only have to cover all existing programs, all existing requests, but now have to look after tourism as well because tourism will not be a separate development.

• (1250)

I had a press conference on these issues in September and I called it a triple whammy. The federal government is socking it to Atlantic Canada time after time after time, and it is doing all it can to make sure that the economy of Atlantic Canada is devastated by the budget measures of the Minister of Finance.

After being betrayed by their own Prime Minister and by their own cabinet minister, I wonder how Conservative members of Parliament will have the courage to get up yet again in this House and say that my motion is going in the wrong direction.

How will they be able to say that the federal government, the federal Conservatives would never hurt Atlantic Canada? The last time they got up to speak, to defend their minister, to defend their Prime Minister at the same time, without telling them the minister was down the hall in a committee of this House taking money from Atlantic Canada. He was taking money that had been promised to Atlantic Canada, taking money that was supposed to be part of an agreement with Atlantic Canada. He said: "You are not getting it in the next three years. We will give you the same amount over the next five years". I do not know how some of those Conservative back-benchers feel, but I suspect they feel betrayed.

Certainly their constituents feel betrayed. Certainly there is a growing feeling in Atlantic Canada that they are being ignored. It does not matter whether it is the fisheries. It does not matter whether it is tourism. It does not matter whether it is those people who rely on VIA Rail. It does not matter whether it is the seniors who look at their pension plans being eroded by this government. There is a very strong growing sense that this government has ignored, betrayed and is abandoning Atlantic Canada. That feeling was there. I do not think any Conservative member is going to deny that feeling because it is growing and they must be hearing it back home.

What I am calling for in the motion is a positive approach. First, we have to get rid of the cut-back mentality of the federal Conservatives. In its place we have to make sure that those agencies which are established actually have the power to make decisions affecting Atlantic Canada, and that those decisions are, again to quote the Conservatives, "Made by Atlantic Canadians". That is not happening. The area feels devastated.

The government is producing programs which are hurting people in that region. The government is showing it has absolutely no concern for Atlantic Canada. What we need is a statement by this House in the form of a motion which I hope the Conservative members present can support. It is a votable motion. We can vote on it if the Conservatives agree to it. We can vote on a motion that states:

> That, in the opinion of this House, the government should consider the advisability of providing long-term regional planning for the Atlantic region through an expanded Atlantic Canada Opportunities Agency.

This is not a motion condemning the government. This is a motion giving direction to the government. This is a motion saying that we want an expanded role. It does not even mention extra money, only an expanded role. It calls for "long-term regional planning", and it explains that the agency that should do so is the very agency Conservative members got up and spoke about with such eloquence just a few short months ago.

I do not want to take all the time available in this debate. I want the Conservative members here to have a chance to explain why they too support this motion and why they too believe that we need an expanded role, that we need long-term regional planning for Atlantic Canada, and that we cannot have a continuation of the betrayals of the Prime Minister and the betrayals of the minister responsible for the agency as we have had in the past.

We no longer want to be in a situation of such short-term planning as we had in the past where a Conservative member is speaking in defence of an agency in the House, not knowing that the cabinet minister is down the hall cutting the funding for that agency. Stand up for your region, stand up for funding for Atlantic Canada, stand up for long-term planning for that region.

Mr. Peter L. McCreath (South Shore): Speaker, I rise with great pleasure today to participate in this debate. I thank the hon. member for Churchill for providing an opportunity for myself and other members of the House to get up and talk about the excellent things that are being done by this government in Atlantic Canada.

The member's motion calls for long-term planning. That is precisely the role that the Atlantic Canada Opportunities Agency plays. He calls for an expanded Atlantic Canada Opportunities Agency. There is absolutely no question that the overwhelmingly positive response that has been received from business across Atlantic Canada to ACOA means precisely that it is an overwhelming success, and I hope some day we will find more funding.

It is a fact that $1.05 billion were committed, were made available, by this government. In the first two years $600 million of those dollars were committed already and in this year $400 million will be spent by ACOA. This indicates that the government in fact has a very impressive record in Atlantic Canada and that this government has and will continue to have a very substantial commitment to Atlantic Canada and to long range planning for Atlantic Canadians.

Needless to say, as with any agency there is an ongoing review and dialogue taking place. As new needs occur they will be responded to, and I was particularly pleased to see this government's response earlier this year to the burgeoning crisis in the Atlantic fishery in setting up a special cabinet committee which will assist ACOA and other agencies in responding to the needs of Atlantic Canada.

ACOA, quite simply, is an Atlantic Canadian success story. It has been a tremendous value to the economy and to the people of Atlantic Canada. I might say, Madam Speaker, that credit for this has to go to the individual whose vision led to the establishment of ACOA, and that is the Prime Minister of Canada. We as Atlantic Canadians and I as a member of Parliament from Atlantic Canada, and I am sure my colleagues on this side from Atlantic Canada, are proud to stand with that Prime Minister and recognize the leadership he has provided in bringing about ACOA and the fact that he knows our region so well.

We have also benefited I might say from leadership from three ministers—the minister from the other place, the Minister for Federal-Provincial Relations, the now Minister of Veterans Affairs, and indeed the current minister of ACOA, a man who I might say is probably as well respected and popular as any person in the province of Nova Scotia for the leadership that he has provided many, many years in this Parliament, in the governments of Canada, and the tremendous leadership that he has provided for our province.

ACOA's staff have worked diligently. The problem that the 300 people who work for ACOA have had has been keeping up with the volume and demand for the opportunity to participate in the many programs of ACOA. I look forward to ACOA playing a very positive role under its new president, Mr. Lesault, who I know will maintain the quality of leadership that we have had from ACOA.

The basis of success of ACOA, unlike any other regional development program to date, is the fact that ACOA is based in Atlantic Canada and the decisions for ACOA are made in Atlantic Canada. ACOA, naturally as an agency of government, receives its funding from the government of Canada.

Just as any other department of government, decisions are made by cabinet, funds are allocated, structures are created. The significant thing about ACOA is that it is based in Atlantic Canada. The project decisions and the various other co-operative efforts in which ACOA gets involved are made by Atlantic Canadians in Atlantic Canada. There is nowhere in Canada where there are people with greater initiative, greater energy or better ideas than the people of Atlantic Canada. The result is that we are seeing on a daily basis the benefits coming from the 1.05 billion new dollars that were brought in.

My hon. friend made reference to a document that was released in Nova Scotia. I am sure that it was not his intention to in any way mislead this House by suggesting that it was a document of the government of Nova Scotia.

I just want to set the record straight. The Minister of Development of the province of Nova Scotia commissioned a study of ACOA by an outside person, a professor from Acadia University who did a study and submitted it to the government of Nova Scotia. In the opinion of the minister it was so outrageous that he sent

it back and refused to accept the document. He suggested that there be more facts and less opinion in the document.

• (1300)

Instead of revising the document, as should have been done, he released it to the New Democratic Party. The Leader of the New Democratic Party of Nova Scotia got up and made all sorts of statements about ACOA based on a document that had been rejected. It was indeed not the document of the Government of Nova Scotia. I think we should refer to that as the document of the New Democratic Party of Nova Scotia. It is not by any means a document of the Government of Nova Scotia.

The action program of ACOA has had a profound impact in supporting new ideas, expanding businesses and facilitating the diversification of industry throughout Atlantic Canada. It has been particularly helpful to small business. It has also been beneficial to large businesses.

From time to time people ask me why the government makes grants to business. Are business people not wealthy? Why do they need money from the government? People do not understand that the role of an industrial incentive program is to make things happen where we want them to happen, in this case in Atlantic Canada as opposed to other places. Funding and support through the various means that come with the action program means that industries and expansions happen in Atlantic Canada and not somewhere else where they might otherwise happen. That is the concept of incentive.

If ACOA makes a contribution to the development of a business, it is only a contribution towards that happening. They are not giving money to somebody. They are creating opportunities for Atlantic Canada. The people who own those businesses make investments. They are no more interested in losing on their investments than are the Government of Canada or the people of the maritimes in terms of those investments. We have to understand that the benefit that comes back is a benefit to all Atlantic Canadians. In employment opportunities the money eventually comes back to the government through taxation and through expenditures in those communities. Everybody wins all around.

Reference was made to the suggestion that the ACOA decisions are made in Ottawa rather than in Atlantic Canada. Decisions in ACOA are made by a highly competent team of public servants. Some people suggests that ACOA decisions are made by politicians. There are times when it might be very helpful to me and some of my colleagues from Atlantic Canada if we had funds to dispense for encouraging businesses and so on. It does not work that way. Everything is done above board. Decisions are made in accordance with clearly established criteria.

Suggestions are made with respect to the fact that there has been a modification in the process by which ACOA's funds are being spent. Members opposite seem completely unaware that in this country we have, as a result of many years of overspending, a serious debt problem. All Canadians are aware of that debt problem. All areas of government have to participate in dealing with that debt problem. All regional development agencies in Canada, as with all other aspects of the government, have had to participate in coming to grips with this.

The important thing to note is that the money that was committed at the beginning of ACOA is still there. The $1.5 billion to assist in job creation in Atlantic Canada is still there. It will be spent in Atlantic Canada for the benefit of Atlantic Canadians.

I recall last spring when the budget came down hearing from members opposite that there would be no money for other regional development. The term "cut" is constantly used. They said there would not be any money for ERDAs or co-operative agreements. It is interesting to note that the minister responsible has now reached agreements in all four Atlantic provinces.

Newfoundland recently announced agreements for coastal Labrador and rural development.

Several agreements in principle have been reached in Prince Edward Island. One was the signing of a $25 million agri-food agreement.

A package of agreements involving a commitment of $97.7 million by the Government of Canada in New Brunswick, including a $32 million agri-food agreement, was signed by the Minister of Agriculture and the Minister of Veterans Affairs just last week.

In my province of Nova Scotia we now have five co-operative agreements, including a $200 million-plus agreement to deal with the Halifax harbour pollution problem, an agri-food agreement and most recently, forestry, fishery and mining agreements.

Between ACOA and these co-operation development agreements, this government has committed over $2 billion to regional development in Atlantic Canada. It is indeed a very impressive record.

I have no reservations at all in going back to Atlantic Canada as a member of Parliament in support of this government. No government in the history of this country has done as much for Atlantic Canada as this government is doing and will continue to do.

In closing, I want to quote from a statement made by the Prime Minister of Canada in Halifax this summer. He said: "ACOA is about the future, about helping business people improve productivity, exploit new technology, develop new markets and create new jobs. ACOA represents a new approach and a new commitment on our part to Atlantic regional economic development".

That approach is working. That commitment is producing results. ACOA is here to stay and our government commitment, reinforced by success, is even greater.

Atlantic Canada and Atlantic Canadians have never been better served than they are being served and will continue to be served by this government.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Madam Speaker, it gives me great pleasure to rise and speak in this debate concerning the Atlantic Canada Opportunities Agency.

You are no doubt aware, Madam Speaker, that Atlantic Canada depends heavily on federal regional development assistance. Indeed, the federal government established ACOA to help alleviate the economic disparity which has plagued Atlantic Canada.

However, in looking at ACOA's record I cannot help but feel that the agency possesses serious shortcomings. The motion put forward by the member for Churchill states very clearly that the government ought to consider implementing long term regional planning in Atlantic Canada by expanding the Atlantic Canada Opportunities Agency.

While the motion seems very good, and I can very easily support it, the truth is that although ACOA was launched by the Conservative Government amid a great deal of fanfare, it has fallen far short of the mark. My hon. colleague from the other side quotes the right hon. Prime Minister. I have a quote here also.

When addressing the Saint John Board of Trade in October of last year, the Prime Minister said: "The federal government has a responsibility for regional development in the interests of national unity and as well in the interest of fairness. We will not have two Canadas in the economic sense anymore than in the constitutional sense. We will not have one Canada that is prospering at the centre while other regions do not receive a fair share of economic opportunity".

They are great words. Everyone in this House I am sure would agree with them. They sound fantastic. But words are cheap.

Let us look at what the government has been doing not only to Atlantic Canada but right across the country. First, there is VIA Rail, the recent announcement by the Minister of Transport on VIA Rail, the cut-backs. We look at the new proposed tax. Speaking of taxes it is this very same government that increased taxes 31 times since 1984. The hon. member talked about the deficit, the debt. Since 1984 this government has doubled it. We talk about UIC and the changes proposed to it. Again, it is going to affect Atlantic Canada.

The hon. member from the other side sort of praised ACOA and all its benefits. To be honest, there are some benefits to ACOA. There is no doubt about it. We need ACOA. We need other programs as well. But there are some problems with ACOA. There are some problems with the direction the government is going in.

I have a few articles. I want to point out some of the headlines that have come out since the budget and since the announced cut-backs to ACOA. What amazes me is how members on the government side seem to say that ACOA has not been cut. Well, here are a few headlines with regard to statements made by the hon. minister responsible for ACOA.

One is from *The Toronto Star*. It states: "Ottawa slashes Atlantic funding". The article is about the proposed changes in ACOA.

Here is another one from a local paper in New Brunswick. It states: "ACOA cuts called sell-out of Maritimes".

I have another one which states: "Tories to slash cash for regions by $2 billion". Down below there is a little sub-article entitled: "Budget leak suspect may not be charged".

Another article states: "Ottawa cuts Atlantic Canada development aid", again referring to the hon. minister and his program of spreading the same amount of money over a period of seven years rather than the original five years.

Here is a good one, Madam Speaker. It states: "Half-baked ideas and half-measures". There is a big question mark there. They are talking about the regional development policies of this government.

Another one states: "Atlantic Canada, the nation's economic wasteland gets wasted again". The article goes on to explain how Atlantic Canadians are not being treated fairly or equally, as the Prime Minister indicated it should be throughout Canada.

• (1310)

[*Translation*]

Madam Speaker, I have another article here from *l'Acadie nouvelle*, New Brunswick's francophone newspaper, and the headlines are incredible: The ACOA has no way of knowing whether the funding it provides is spent on the projets submitted. All this doesn't make sense. The article quotes the Minister responsible for ACOA as saying: We don't have the financial and human resources for providing follow-up. A projet follow-up would be very expensive, and I am not convinced it would be worthwhile.

[*English*]

The minister is telling us in his own words that they have no way of checking to see if the money that he is giving out through ACOA is actually being spent on those projects. He says: "We do not have enough personnel, and even if we did, I do not even know whether we would check. It may not be a good idea".

I want to go to a more localized problem that has been underlined just recently in my own riding. The article that I am referring to is an article that appeared in a local paper of the city of Campbellton. The headline here states: "ACOA tactics jeopardizing developments in Ccunty". The mandate of ACOA was to develop industry, to develop enterprises. The article goes on to quote the industrial commissioner of the Restigouche Industrial Commission. This is a neutral group, a group that has the good of the region in mind. It is a group that is trying to do exactly what ACOA is doing.

Here is what the industrial commissioner had to say: "Clients have been kept waiting for months. We are being kept in the dark and they have made so many changes to the program, it is unbelievable". That is what the industrial commissioner in one of the regions in New Brunswick is saying.

Another point that the article goes on to explain is that the old mistakes of changing the regional policies in mid-stream is creating havoc. It is the same old problem that we have had before whereby the government announces a program. It sounds great. There is a big fanfare. The Prime Minister gives a big speech. A year or so down the road, there is a change. They have all sorts of reasons. There is the debt, the deficit, whatever, all sorts of reasons that they can well explain.

I should also point out to show the seriousness of it—and I do not want to discuss the case—that ACOA is being taken to court in the region as well because of problems created by the agency.

When we look at ACOA in general, it sounds as if I am very critical of it. I am. I am critical because it should have been a good tool. It should have been the answer to our problems. But it is not. There are a lot of problems with the ACOA program as it now stands.

One of the things that I want to point out is that I am not criticizing the personnel. The personnel are doing their best at whatever they do, whenever they do it. They do not have the backing of this government. That is the problem. They do not have enough personnel or the finances.

When we talk about a long range plan, this government has no long range plans. It has no long range for anything in Canada, let alone for Atlantic Canada. Maybe the motion should have been expanded to include other areas. They have been in government since 1984, which is actually too long. They have ruined the economy. There is no doubt about that. They are ruining the transportation system across Canada. Now they want to investigate it while they are ruining it. When the investi-

gation is over, we are just going to find out that it is ruined. It will be too late.

I have a few constructive ideas, if hon. members are listening. Perhaps we could increase the personnel of ACOA. Another constructive idea is to go back to the original five-year commitment, rather than a seven-year commitment.

One other thing that I should point out, and the hon. member opposite also mentioned it, is that decisions for ACOA are made by civil servants. The new president of ACOA has already stated publicly that the $200,000 limit on the action plan was a mistake. Let us see that changed as soon as possible.

Mr. Bob Corbett (Fundy—Royal): Madam Speaker, it gives me a great deal of pleasure to participate in the debate this afternoon. As a member from Atlantic Canada, I have watched over the years a state of economic decline, fortunately reversed by the government elected in 1984. I can tell you, Madam Speaker, that I serve with a great deal of enthusiasm as the member from Fundy—Royal, and I am in total support of the types of policies that this government has initiated over the past five or six years.

I have listened with a great deal of interest to the mover of the motion, as well as to my hon. colleague from New Brunswick, the member for Restigouche—Chaleur. I must say that I find a similarity that develops among opposition members that is rather strange, particularly in view of the historic relationship that the party of the hon. member for Restigouche—Chaleur had with Atlantic Canada, which was to put it into a desperate state of morass and decline for all of those years when they were in charge. The correlation that I draw between the two members' speeches is that it is more significant of what they have not said, as opposed to what they did say.

It is to the credit of this government that in a period when restraint is obviously the key word—and it is difficult to find funds of any significance to go into disadvantaged regions, such as Atlantic Canada—that this government was able to come up with in excess of $1.2 billion for a program of great vision through the Atlantic Canada Opportunities Agency when previous administrations were able to do nothing but recycle old funds again, again, and again. of dollars going into Atlantic Canada. There have been thousands of jobs created. Hundreds of families which were previously disadvantaged and are now able to provide themselves a decent standard of living, something which before just simply did not exist.

I want to remind you that it was not that the previous administration had not attempted from time to time to deal with the discrepancies and the disparities in Atlantic Canada because, indeed, it paid lip-service. The disturbing thing is that during a great deal of that time the party of the member who moved the motion, the NDP, was supporting and propping up the Liberal government which continued to contribute to such a deplorable state of the economy in Atlantic Canada.

I think it is important to recognize that there are some substantial developments over the last few years that perhaps are not given the profile they deserve.

• (1320)

I want to talk particularly about education and research. My hon. colleague from South Shore only had a short time to deal with some of the problems and some of the positive things that have taken place with reference to his area. Education and research are as important to Atlantic Canada as it is to the rest of the nation.

The best and the brightest of young Atlantic Canadians are often forced to leave home. We saw a lot of that during my earlier years when it was the norm that young Atlantic Canadians left Atlantic Canada. I had to leave Atlantic Canada because I was unable to find a job. Many hundreds and thousands of other young people during that period of time found themselves in the same situation. They are often forced, even today, to leave home to seek opportunities elsewhere. However, that is changing because of the initiatives and the foresight of this government.

The region which has been deprived of the talent, ambition and vigour of part of its younger generation, could not possibly continue to survive under those types of conditions. Atlantic Canadians, like all Canadians, are loyal to the province of their birth. Given equal opportunity they would gladly stay home and participate to make whatever contribution they could to its wealth. Part of

ACOA's task, as this government saw and perceived it, was to give them the opportunity to do just that.

Let me mention today just a few of the projects, particularly in the field of education, which are being or will soon be undertaken with at least partial funding, if not total funding, from ACOA that will make it possible for Atlantic Canada's brightest and best to stay at home, to grow and to contribute.

The programs designed to educate the next generation of entrepreneurs must be effective. We must first describe the strengths and weaknesses of the present public school system and university curricula and we must do this in relation to the field in which the initiative is directed. By so doing we can discover how the educational system can foster entrepreneurial spirit by teaching the necessary appropriate skills.

Entrepreneurship Project, PEP, is a research program undertaken jointly by Mount Allison University and the *Université de Moncton*. Its work will establish what attitudes toward and conceptions of entrepreneurship are prevalent in the school system, both among students and teaching personnel; what courses and entrepreneurial skills are being offered and how they are taught; how school curricula may be modified to give the students the opportunity to increase their knowledge and ability in the field of business development; and how the subject of entrepreneurship is treated in the teacher training institutions.

PEP is designed to attack the roots of the economic problems in the Atlantic provinces. New products, new production methods and new markets do not create themselves. They are created by people but people need the tools to exploit those opportunities, to discover new products and markets. ACOA believes that PEP is Canada with the tools they need to achieve economic equality with the rest of Canada.

Another project which complements PEP at the university level is the establishment at the University of New Brunswick of a chair of technological management and entrepreneurship. Too often, students of engineering and other applied sciences, while well educated in their particular discipline, receive no training whatsoever in the entrepreneurial skills which would enable them to exploit to the fullest, and to the benefit of their community as well as themselves, the practical knowledge they have gained at the cost of long, hard studies.

Innovative ideas, because of the lack of ability to create a market for them, are lost. The chair of technology management and entrepreneurship will develop courses designed to give these students the business development skills to complement their scientific knowledge. The University of New Brunswick will assume the funding and ensure the continuation of the chair of technology management and entrepreneurship after ACOA funding for the project expires.

In addition, a chair of international marketing has been established at the *Université de Moncton*. This chair is also partially funded by ACOA in collaboration with the province of New Brunswick and the private sector. Once again, the university will pick up the funding after the ACOA program expires.

Telemedicine and Educational Technology Resources is a joint project of the Telemedicine Centre and the School of Continuing Studies of Memorial University of Newfoundland. The goal of this project is to establish and operate a facility providing a network of educational communications, using the latest electronic technology, throughout the province of Newfoundland.

The communications network will be capable of delivering training programs to remote areas of that province. These programs will be directed toward a variety of groups, including industry, business and professional associations, as well as community groups and others requiring specialized training.

There is one industry which is important equally to all of us in Atlantic Canada and that is the one of tourism. In fact, it is an important source of revenue for all of Canada, both provincially and federally. In the Atlantic provinces it is equally important. It is certainly an important employer.

Therefore, ACOA is proud to contribute, in co-operation with the province of Nova Scotia, the private sector, and Mount Saint Vincent University, to the funding of an expansion of the tourism and hospitality degree program offered by that university.

These are just some of the education projects that ACOA is working with and developing in Atlantic Canada. I would like to say, in closing, that I am convinced ACOA will continue to build on the excellent

start it has made and it deserves the continued support of the people it serves and the support of this Chamber.

[*Translation*]

Mr. Darryl L. Gray (Bonaventure—Îles-de-la-Madeleine): Madam Speaker, like my hon. colleague who just spoke, I also welcome this opportunity to take part in the debate this afternoon. I think that if we look at past events and consider other regional development programs introduced by this Government since 1984, it is all very reminiscent of our Plan *de l'est* in the Gaspé, in Eastern Quebec. I think we can find a parallel with the Atlantic Canada Opportunities Agency, in the way it works in disadvantaged areas where a tool is needed, as the Hon. Member said earlier. In order to stimulate the economy in our regions, it is very important that the federal Government be able to provide, not only human resources, but also the funding we need to develop our own economy as we see fit. With the Atlantic Canada Opportunities Agency, we already have some concrete examples. We can talk about Cape Breton Island, where Micronav Ltd. will create 120 new jobs providing systems for airports throughout our country and even internationally. Madam Speaker, I think it is important that all Canadians understand that in regions like ours, the Atlantic, the West, the Far North, new technology will help us provide more jobs for our youth and we have something to offer.

Also, Madam Speaker, for sure not all Canadians want to live in Montreal or Toronto. Programs like ACOA in the Atlantic today are the way to keep our young people where they live.

[*English*]

It is very nice for the opposition always to shoot and attack.

• (1330)

I am very familiar with the Atlantic region. My colleague mentioned Mount Allison University. I was fortunate enough to have good professors and I graduated from there many moons ago. I am glad to see that that university is taking part in the ACOA program.

Some Hon. Members: Hear, hear!

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): I am not sure whether that applause was for my graduation or for ACOA taking part in Mount Allison. As you are very well aware, Madam Speaker, that in terms of spending federal dollars, the dollars must come from somewhere. We shall never have enough money to have everyone drive a Cadillac. But we shall all drive Cadillacs when the federal government continues with programs such as ACOA and the eastern Quebec plan, to use two examples. With continued federal help in the regions, with programs such as ACOA along with the dynamism that we have in the Maritimes and other areas outside central Canada, we shall prove that the money of the federal government has not been poorly spent, and we shall continue doing that.

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, it is a pleasure for me to speak again on ACOA, the Atlantic Canada Opportunities Agency, in this House. My hon. friend across the way keeps coming up with suggestions for ACOA that are inherent in ACOA today. I need not remind hon. members that the Atlantic Canada Opportunities Agency is the first attempt, after a number of attempts by a variety of governments, to deal specifically and effectively with the problems of regional development in Atlantic Canada.

The fundamental problem with programs in the past has been that the direction, the policy framework, and the decisions came from the centre, from here in Ottawa. I need not remind any member in this House of the problems of developing policy inside across the country. There have been problems. ACOA is so successful, as my friend from the South Shore has pointed out, because the decisions are made in the region by people from the region who are dealing every day with the problems, the challenges, the innovations, the imagination of people in the region. It has four components. The first is action and we have seen that in the action plan. The second is co-operation. The third is co-ordination and the fourth is advocacy.

I think it is important to get on the record the success of ACOA, what ACOA has been able to do in the 19 or 20 months since it has been active. Up until early September ACOA had approved 6,336 projects, committed $607 million and leveraged, seen other people invest, $1.7 billion. That is co-operation. That is using federal government programs and federal government resources to generate other resources, to increase in-

vestment in co-operation with the people who live and work in the Atlantic provinces. We have helped to create 16,714 jobs and maintain another 18,936 jobs. Those are results. That is progress. In 19 months of existence, close to 70,000 inquiries have been received, 13,000 applications have been received; 10 times the rate of any other program.

The other thing that I think is particularly important is to recognize that what has happened in the last 19 or 20 months is that this government has provided more funding assistance to assist business than has been provided in the last 25 years. If that is not results, if that is not commitment, if that is not progress, then, Madam Speaker, I do not know what is.

We have, as my hon. friend has said, seen 22 new co-operation agreements put in place. We have seen the federal government sitting down with the individual provinces and saying: "Okay, what is important to you is to develop in the longer term the economic base of your province, and how can we, as the federal government, with our money, with our knowledge, with our expertise, help you do that?"

We have seen 22 new co-operation agreements; $274 million, and there are more to come. That is one of the roles of ACOA in developing and providing that long term strategic approach—that hands-on at the table, what's the problem, how are we going to solve it, approach—to try to deal with economic development, job creation and expansion in the Atlantic provinces.

Seventy-five per cent of the approved projects of ACOA had a capital investment of less than $200,000; small projects, one or two people, six or seven people, maybe much larger but the government's participation was much less smaller, or that was what was asked for. Twenty-two per cent were from that level up to $2 million.

Two of the missions of the agency, two of the things that the agency is said to have to deal with, are co-ordination and advocacy. Unfortunately, you do not see that all the time. There are not press releases, there are not news clips. You do not see it every day as you walk down the street as sometimes you do with new plants and new jobs. I see it all the time in my dealings in Newfoundland and Labrador in how we come to deal with our problems. ACOA is at the table dealing with the challenges that we have in the short term and in the long term with our fish problem, in advice to the Clark committee, in active, strong participation with the Stein group. Hibernia and offshore oil development has the full participation of the Atlantic Canada Opportunities Agency. They are providing the big picture. They are providing the longer term view. They are providing the other side to economic development as opposed to just the immediate problem at hand.

The youth strategy is such a critical step to dealing with the long term problem that the young people in my province have had in getting from school to work. ACOA is playing a substantial role in how to make that happen, not only in providing advice, but in bringing together other departments of this government and of the province of Newfoundland and Labrador with the people dealing with the youth strategy and with the private sector. How can we deal with the problem together in the longer term? How, over time, can we attack the problem of young people not being suitably employed, young people not getting from school to work? What is the problem? How do we get through it? We see it in forestry.

I had the privilege of being at the Atlantic Provinces Economic Council meetings last week in Moncton where the new president of ACOA, Mr. Leseau, who has been referred to here today, is bringing a fresh approach. He recognizes clearly and stated before these people that we have a particular challenge and that ACOA has a role to play in developing a strategy. ACOA has a role to play in moving the Atlantic provinces ahead. That role that this motion calls for is very much there with the vice-presidents and with the people who work for them in each of the regions.

A number of my colleagues have been able to illustrate projects which have been very successful. There is one that I am very proud of and that is a project sponsored by the Newfoundland and Labrador Status of Women's Council under the direction of Anne Bell and the participation of people like Wendy Williams.

What we are doing through that program is saying, here is $800,000 plus—I think that is the right number—go out and hire people. They will hire six people to work as field workers. Women are badly under-represented in this economy and badly under-represented in the Newfoundland economy, and there is no question that they have a huge contribution to make, not just to women but to the whole economy and to the whole society. But women are not getting taken care of by the system. Their ideas and their innovations are being lost.

The Acting Speaker (Mrs. Champagne): With deep regret I must interrupt the hon. member. The time provided for the consideration of private members' business has now expired.

Pursuant to Standing Order 96(1) the order is dropped from the Order Paper.

[*Translation*]

It being 1.41 p.m., the House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 1.41 p.m.

HOUSE OF COMMONS

Monday, October 16, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL

TABLING OF APPOINTMENTS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), they are deemed referred to the appropriate standing committees, a list of which is attached.

Mr. Speaker, while I am on my feet I move:

That the House do now proceed to Orders of the Day.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 61*)

YEAS

Members

Anderson
Atkinson
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Bouchard (Lac-Saint-Jean)
Brightwell
Casey
Charest
Cooper
Côté
Crosby (Halifax West)
Desjardins
Domm
Edwards
Feltham
Fontaine
Greene
Harvey (Chicoutimi)
Hicks
Holtmann
Hudon
James
Kindy
Langlois
Layton
Lewis
Lopez
Mazankowski
McKnight
Moore
Nowlan
Paproski
Reid
Ricard
Robitaille
St-Julien
Sobeski
Sparrow
Tardif
Thorkelson
Tremblay (Lotbinière)
Vien
White
Wilson (Etobicoke Centre)—91

Andre
Attewell
Bernier
Bjornson
Blais
Bouchard (Roberval)
Bourgault
Cardiff
Chadwick
Clifford
Corbett
Couture
de Cotret
Dobbie
Duplessis
Fee
Ferland
Fretz
Guilbault
Hawkes
Hockin
Horner
Jacques
Kempling
Landry
Larrivée
Leblanc (Longueuil)
Loiselle
Malone
McDougall (St. Paul's)
Monteith
Nicholson
O'Kurley
Pronovost
Reimer
Richardson
Roy-Arcelin
Shields
Soetens
Stevenson
Thompson
Tremblay (Rosemont)
Vankoughnet
Vincent
Wilbee

NAYS

Members

Allmand
Angus
Benjamin
Brewin
Caccia
Comuzzi
Ferguson
Fisher
Foster
Gaffney
Gauthier
Harvard

Anawak
Arseneault
Blaikie
Butland
Catterall
Crawford
Finestone
Flis
Funk
Gardiner
Gray (Windsor West)
Hopkins

Hunter	Karpoff
Keyes	Kristiansen
Langan (Mission—Coquitlam)	Laporte
MacAulay	MacWilliam
Marchi	Marleau
Mifflin	Mills
Murphy	Nystrom
Pagtakhan	Phinney
Pickard	Robichaud
Rocheleau	Samson
Simmons	Stewart
Stupich	Taylor
Vanclief	Volpe
Young (Gloucester)—51	

Mr. Deputy Speaker: I declare the motion carried.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C–21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, as reported (with amendments) from a legislative committee.

Mr. Nystrom: I rise on a point of order, Mr. Speaker. You are aware that this morning at eleven o'clock I wanted to move concurrence in the finance committee report which criticizes the Bank of Canada for high interest rate policies in this country. By moving Orders of the Day the government has avoided a very serious debate on a very serious issue, on a day when there is great instability in the stock markets around the country. My point is—

Mr. Deputy Speaker: I am willing to hear the point of order, but I would not want any debate.

Mr. Nystrom: Mr. Speaker, by doing what it has done the government has shown contempt for members of this House and cowardice for members of this House.

It has prevented us from moving a motion on a serious issue, from presenting petitions to the House, from moving bills in the House of Commons, and from doing what we should be doing as serious minded members of Parliament. I suggest to you that that is contemptuous.

Mr. Deputy Speaker: The motion moved by the government was in order.

SPEAKER'S RULING—MOTIONS IN AMENDMENT

Mr. Deputy Speaker: There are 53 motions in amendment set down on the notice paper in relation to Bill C–21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act.

I have generally reviewed the motions, and I am prepared to make a preliminary ruling at this time so as to allow the House to commence report stage debate.

I will come back to the House later today to rule on the remaining motions.

[*Translation*]

Motions Nos. 4, 5, 6, 7, 8, 10, 11, 12, 13 and 14 are in order. They will be grouped for debate and voted on as follows:

(A) Since Motion No. 5 arises from Motion No. 4, a vote on Motion No. 4 will also apply to Motion No. 5.

[*English*]

B) An affirmative vote on Motion No. 6 would obviate the need to put the question on Motions Nos. 8 and 11, but a negative vote on Motion No. 6 will require putting the question on Motions Nos. 8 and 11.

[*Translation*]

(C) A vote on Motion No. 7 will also be applied to Motion No. 10.

(D) Motions Nos. 12, 13 and 14 will be voted on separately.

Motions Nos. 15, 16 and 18 will be grouped for debate, and a vote on Motion No. 15 will be applied to motions Nos. 16 and 18.

[*English*]

Motions Nos. 17 and 20 will be debated and voted on separately. I shall now put Motions Nos. 4, 5, 6, 7, 8, 10, 11, 12, 13, and 14 to the House, and as I said earlier I shall come back to the House to report on the remaining motions.

The Hon. Member for Notre–Dame–de–Grâce on a point of order.

Mr. Allmand: Mr. Speaker, with respect to the first grouping of motions you have announced to the House, in other words Motions Nos. 4, 5, 6, 7, 8, 10, 11, 12, 13, and 14, you have grouped together 10 motions for purposes of debate. I submit to you very seriously, Mr. Speaker, that just to read the content of those 10

motions would take up the 10 minutes of speaking time that we have under the report stage.

I would like to urge very seriously that grouping 10 motions together is too much and cannot be handled properly in a 10-minute speech.

I note that Motions Nos. 4 and 5 have to do with new entrants, whereas Motions Nos. 6 to 14 have to do with parental benefits, maternity benefits, and medical benefits. One could see some reason in grouping Motions Nos. 6 to 14, but I do not see the reason in grouping Motions Nos. 4 and 5 with these other motions.

In addition, as I pointed out, just to read into the record what is attempted by those 10 motions would take up the entire time allocated to members to speak at the report stage. I do not think that is acceptable. I would ask that you reconsider the grouping for the motions that are put together in this first grouping.

• (1150)

Mr. Deputy Speaker: I would like to remind the House that rulings of the Speaker are not debatable.

However consultations are still continuing in preparation for a final ruling, so what I have given already will stand for now.

MEASURE TO AMEND

Mr. Ron Fisher (Saskatoon—Dundurn) moved:

Motion No. 4

That Bill C-21 be amended in Clause 5 by striking out lines 40 to 42 at page 3 and substituting the following therefor:

"(2) An insured person qualifies to receive benefits under"

Motion No. 5

That Bill C-21 be amended in Clause 5 by striking out lines 7 to 29 at page 4.

Hon. Barbara McDougall (Minister of Employment and Immigration) moved:

Motion No. 6

That Bill C-21 be amended in Clause 9

(a) by striking out line 22 at page 8 and substituting the following therefor:

"(3) Subject to subsection (7), the maximum number of weeks for"

(b) by striking out line 34 at page 8 and substituting the following therefor:

"(4) Subject to subsection (7), the maximum number of weeks for"

(c) by striking out line 24 at page 9 and substituting the following therefor:

"of benefit shall not exceed thirty.

(7) The maximum number of ten weeks specified in paragraphs (3)(b) and (4)(b) is extended to fifteen weeks where

(a) a child referred to in paragraph (3)(b) or (4)(b) is six months of age or older at the time of the child's arrival at the claimant's home or actual placement with the claimant for the purpose of adoption; and

(b) a medical practitioner or the agency that placed the child certifies that the child suffers from a physical, psychological or emotional condition that requires an additional period of parental care.".

Hon. Warren Allmand (Notre-Dame-de-Grâce) moved:

Motion No. 7

That Bill C-21 be amended in Clause 9 by striking out line 31 at page 8 and substituting the following therefor:

"fifteen; and"

[*Translation*]

Hon. Warren Allmand (for Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso)), moved:

Motion No. 8.

That Bill C-21 be amended in Clause 9 by striking out line 31 at page 8 and substituting the following therefor:

"ten, except for adopted children placed with the claimant for the first time after the child is 6 months old, the maximum shall be extended from 10 weeks to 20 weeks, subject to certification by a provincial child welfare agency of physical and emotional needs requiring the parent to stay at home and"

Hon. Warren Allmand (Notre-Dame-de-Grâce) moved:

Motion No. 10.

That Bill C-21 be amended in Clause 9 by striking out line 41 at page 8 and substituting the following therefor:

"fifteen."

Hon. Warren Allmand (for Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso)), moved:

Motion No. 11

That Bill C-21 be amended in Clause 9 by striking out line 41 at page 8 and substituting the following therefor:

"ten, except for adopted children placed with the claimant for the first time after the child is 6 months old, the maximum shall be extended from 10 weeks to 20 weeks, subject to certification by a provincial child welfare agency of physical and emotional needs requiring the parent to stay at home."

[*English*]

Mr. Ron Fisher (Saskatoon—Dundurn) moved:

Motion No. 12.

That Bill C–21 be amended in Clause 9 by striking out line 41 at page 8 and substituting the following therefor:

"twenty–four."

Hon. Warren Allmand (Notre–Dame–de–Grâce) moved:

Motion No. 13

That Bill C–21 be amended in Clause 9 by striking out lines 3 and 4 at page 9.

Mr. Ron Fisher (Saskatoon—Dundurn) moved:

Motion No. 14

That Bill C–21 be amended in Clause 9 by striking out lines 9 to 24 at page 9 and substituting the following therefor:

"and (3)."

He said: Mr. Speaker, it gives me a great deal of pleasure to stand in the House this morning and oppose in the strongest of terms Bill C–21, an act to amend the unemployment insurance program in this great land of ours.

From the very beginning Bill C–21 has to be seen for what this government is doing. Whether we are talking about free trade, deregulation, VIA Rail, or the general sales tax, these programs put forth by this government are couched in the term the government has become so fond of using, that is, "good for Canada". None of those programs that the government has put forth can be construed as being good for Canada.

I would certainly suggest that Bill C–21 is one of the worst of a bad bunch of programs that the government is trying to foist upon the people of Canada. On that basis I move:

That the House do now adjourn.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion, which was negatived on the following division:

(*Division No. 62*)

YEAS

Members

Allmand
Angus
Axworthy (Winnipeg South Centre)
Boudria
Catterall
Crawford
Finestone
Flis
Funk
Gardiner
Harvard
Hunter
Karpoff
Kristiansen
Laporte
Marchi
Martin (Lasalle—Émard)
Mills
Nystrom
Pickard
Rocheleau
Simmons
Stupich
Tobin
Volpe
Young (Beaches—Woodbine)—51

Anawak
Arseneault
Benjamin
Butland
Comuzzi
Ferguson
Fisher
Foster
Gaffney
Gauthier
Hopkins
Kaplan
Keyes
Langan (Mission—Coquitlam)
MacAulay
Marleau
Mifflin
Murphy
Phinney
Robichaud
Samson
Stewart
Taylor
Vanclief
Young (Gloucester)

NAYS

Members

Anderson
Atkinson
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Bouchard (Lac–Saint–Jean)
Brightwell
Casey
Clark (Brandon—Souris)
Cooper
Côté
Crosby (Halifax West)
Desjardins
Dobbie
Duplessis
Feltham
Fontaine
Greene
Harvey (Chicoutimi)
Hicks

Andre
Attewell
Bernier
Bjornson
Blais
Bouchard (Roberval)
Bourgault
Cardiff
Chadwick
Clifford
Corbett
Couture
de Cotret
Dick
Domm
Fee
Ferland
Fretz
Guilbault
Hawkes
Hockin

Holtmann	Horner
Hudon	Jacques
James	Kempling
Kindy	Landry
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Lopez
Malone	Mazankowski
McCreath	McDougall (St. Paul's)
Monteith	Moore
Nicholson	Nowlan
O'Kurley	Paproski
Pronovost	Reid
Reimer	Ricard
Richardson	Robitaille
Roy-Arcelin	St-Julien
Shields	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Thompson	Thorkelson
Tremblay (Rosemont)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Vankoughnet
Vien	Vincent
White	Wilbee
Wilson (Etobicoke Centre)—91	

Mr. Deputy Speaker: I declare the motion lost.

Mr. Hicks: Mr. Speaker, I rise on a point of order. In view of an article that appeared in some Canadian newspapers, the implication being that I paid an employee to perform no work, I emphatically deny it.

Mr. Clifford: Mr. Speaker, over the weekend, the media carried stories suggesting that I had hired the offspring of a colleague but no actual work was done. I categorically deny this.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I rise on a point of order. I want to bring to your attention that during the consideration of this bill in committee and again here in the House, amendments have been dealt with as to whether or not they go beyond the Royal Recommendation or do not go beyond the Royal Recommendation. In committee some of the proposed amendments were ruled out of order because they went beyond the Royal Recommendation, and I note in the bill before us that some of the amendments have the Royal Recommendations attached.

• (1240)

My point of order is the following: According to clause 51 of this bill, the government terminates its financial contribution to the unemployment insurance fund. Clause 51 of the bill repeals Section 118 of the Unemployment Insurance Act. Section 118 of the Unemployment Insurance Act obliges the government to contribute to the fund for certain kinds of benefits, regionally extended benefits, fishermen benefits, et cetera.

By repealing Section 118, the government has, in effect, privatized the unemployment insurance fund. As a result of this legislation, the fund will be entirely contributed to by a compulsory check-off on workers and employers. All the moneys in the fund will be contributed in an obligatory fashion by workers and by employers, and no moneys will go into the fund out of general revenue as a result of clause 51 of this bill.

If that is the case, I do not see how we can refer to the Royal Recommendation which is necessary when you are about to spend moneys raised from the taxpayers of Canada in a general way from the general revenue fund. That is not the case here. No moneys will go into the unemployment insurance fund out of the general revenue fund or out of general taxation. What we are dealing with here from now on, if this bill is passed in its present form, is a fund which will be entirely contributed to by workers and employers in a compulsory fashion by a national check-off. That national check-off program was permitted by a constitutional amendment in 1940, following a Privy Council judgment which said a previous Unemployment Insurance Act was unconstitutional.

I want to submit to you, Mr. Speaker, that this bill is out of order in many respects. The consideration of amendments both in the House and in committee are out of order because reference has been made to the Royal Recommendation argument. I must say that some of the witnesses who appeared before the committee even raised objections stating that the government should not even amend the unemployment insurance system from now on because it is really a system which belongs to the workers and to the employers of Canada. The argument was made by several serious witnesses before the committee that the government could only amend the legislation with the consent of those who controlled the fund.

Before we discuss the various amendments to the bill, I would like you to consider this point of order with respect to the bill and to the changed nature of the unemployment insurance fund as a result of clause 51 which, in effect, privatizes unemployment insurance in Canada and which, by the way, this party very vigorously opposes.

Mr. Deputy Speaker: I thank the hon. member for his comments. There are two points. The first part deals with the fact that the bill itself would have been out of order because of the reason given by the hon. member.

The Chair feels that if that is the case, the motion made now by the hon. member is a bit late and should have been made at second reading stage.

With regard to his point concerning the grouping of the motions today, however, the Chair will take that into consideration and may hear the member further at three o'clock on that point.

Mr. Murphy: Mr. Speaker, on a point of order, it is my assumption that you have ruled that the member for Notre-Dame-de-Grâce would speak next. The question is, did you recognize him for debate before the point of order?

Mr. Deputy Speaker: I think when we get to debate, the Chair will recognize a member, and at that time, whatever motions are appropriate. We are getting to the debate stage quite quickly. On debate, the Hon. Member for Notre-Dame-de-Grâce.

Mr. Gauthier: A point of order, is he recognized—

Mr. Allmand: Would you mind your own business? I have been around here for a few years. I know what to do.

I believe I have been recognized for debate, Mr. Speaker.

Mr. Deputy Speaker: The Chair did, in fact, recognize the member for Notre-Dame-de-Grâce for debate, but I have a point of order from the member for Churchill.

Mr. Murphy: I move:

That the member for Mission—Coquitlam be now heard.

Mr. Lewis: Mr. Speaker, I would normally not want to bring this to the attention of the Chair, but once the hon. member for Notre-Dame-de-Grâce was recognized, he distinctly said, "I have been around here for a few years". This was heard by everybody on our side and even by the Whip, and I think that indicates quite clearly that he started to speak to the motion. Therefore, the point of order of my friend from the New Democratic Party was late.

Mr. Gauthier: Mr. Speaker, on that same point, we all know the standing orders and how, once the Speaker has recognized a member, that member has the floor as soon as he speaks. I was trying to get the member for Notre-Dame-de-Grâce recognized, because I think he is the next speaker on our list, and that is why we agreed that I should shut up and he should speak. That is what happened, Mr. Speaker.

Mr. Angus: Mr. Speaker, on the same point of order, I have a slightly different version than that of the Whip of the Official Opposition. I clearly heard the member admonishing his Whip for interfering and wanting to get on with the debate.

Mr. Murphy: But he did not start.

Mr. Angus: But he did not start.

Mr. Deputy Speaker: The Chair does find the motion by the hon. member for Churchill to be in order.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, it is my pleasure to finally speak on this bill. I want to thank the hon. members for the lesson that has taken place in the last 10 minutes on parliamentary procedure. I am sure it will serve me well in the future.

I would like to address myself to this convoluted collection of amendments and to try in some kind of rational way to address the many, many things I am not going to be able to address in 10 minutes but that we must address, Motions Nos. 4, 5, 6, 7, 8, 10, 11, 12, 13 and 14. This is a very serious piece of legislation that is going to affect Canadians from coast to coast, from the Arctic circle to the 49th parallel, and we are having it compressed into a debate on one motion.

First, I would like to talk about the establishment of a new benefits structure. It is an establishment that replaces the three phase system now in place. The new maximum duration of benefits will be based on the weeks of work and the regional unemployment rate determined in accordance with table 2, et cetera, that is attached to the bill.

• (1250)

The extent of the cuts do not look like much, and hon. members from the other side would have Canadians believe that the primary intent of these amendments is to have Canadians go through some form of behavior modification, to use a term used considerably during the hearings. Behaviour modification is a 1984 Orwellian attitude that has no place in the Canada of today.

To suggest that Canadian workers need to have their behaviour modified; that Canadian workers are not diligent; that Canadian workers are not interested in working, is the cruelest, most despicable kind of PR that this country can do on behalf of its workers. To suggest that Canadians in areas of this country that have unemployment rates of 20, 30 or 40 per cent in some industries, could have their behaviour modified by requiring that they work an extra week or two weeks or three weeks before they are eligible for unemployment insurance, is the most cynical, despicable kind of attitude that I think we can muster for Canadian workers.

I thought that this House was the place where we had the opportunity to make people aware of what the government's plans were for the people. Canadian workers must be made aware of the kind of changes that these amendments to Bill C–21 will make to their lives, not to a piece of legislation that is mouldering in some library somewhere, not just to the regulation books in an unemployment insurance office. These amendments throughout Bill C–21 are going to have a direct and dramatic impact on the lives of hundreds and thousands of Canadian workers.

To suggest that those workers are going to be served—and that is another term that was used a number of times by the hon. members from the other side of the House in committee—is also an insidious type of suggestion. To tell people that you are serving them while you are grabbing something from them suggests to me that maybe we should take into this House a dictionary every day when we come in here and we should be looking up the definition of "serve". We should be looking up the definition of "behaviour modification". We should be looking up the definition of "abusers", because this government would have Canadians believe that most people on UI abuse the system. Possibly if not this government, but certainly a number of the members who have travelled with us on the legislative committee continually inferred that we, Canadians workers, were abusing the system.

I think it might be something that the Speaker's office would consider, to have on the desk of each member a dictionary so that we can be very clear about what we are saying when we are talking to the people of Canada and for the people of Canada.

It is very, very important that we consider the dramatic impact of these amendments on men and women, in our communities and to the communities themselves. What happens when a worker finds himself or herself with unemployment insurance eligibility cut back? What happens to the community? That worker, no longer eligible for the insurance program that he or she has paid for possibly for years and years of will often find himself and his family on the welfare system. Depending on the province, that will have a direct impact on the municipality or on the province.

The fact is that it has an impact. That impact trickles down to the community in every way. It trickles down to the small business people. It trickles down to the expenses of the municipality. It impacts on the school system. It impacts on the voluntary and social services communities.

I suggest that those kind of impacts have not been explained to the Canadian people. Those impacts have not been explained to the municipalities in Canada. Those impacts have not been discussed appropriately with the provinces.

I would suggest that some of the very serious amendments that we have put forward about the ability to bond for adoptive parents, amendments that would put this legislation in keeping with provincial legislation that requires adoptive parents to spend a certain period of time upon adoption with the child before returning to work, amendments that are not being heard, are the kinds of amendments that we should have. If we must live with this cynical, mean–spirited, cruel legislation, at least we could be concerned about the children that this legislation affects in the adoptive process.

The suggestion that we have one standard in terms of the bonding period for natural parents and a different standard for adoptive parents is something that I find very difficult to understand. We introduced an amendment which was ruled out of order because it somehow escaped the parameters of the legislation. I know I cannot question the ruling of the Speaker on that but I would at some later time like to seek an explanation because I do not understand how that goes beyond the parameters of this existing legislation.

The suggestion has been made that this unemployment insurance program is good for Canada at a time when, as a result of the free trade agreement, Canadians in various industries and sectors of this country are finding themselves faced with announcements of lay–offs. We see ourselves facing in the workplaces the

uncertainty and the anguish that workers are facing. The suggestion that this legislation is good for Canada, and the hon. member for Saskatoon–Dundurn started on that line of thinking earlier today, also defies one's imagination.

If one were to take a look at the numbers of people who are facing unemployment, if one were to take a look at the impact of the free trade agreement, if one were to take a look and go to talk to the workers who are facing lay-off with VIA Rail, if one were to go to take a look at the workers who are facing lay-offs because of mergers in the airline industry, if one were to take a look and go to talk to the workers from General Motors who have received announcements of layoffs, if one were to go to speak to women in industries that are now moving to the south including high-tech industries, computer-related industries, it would be very, very difficult for anybody in this Chamber to agree after hearing those people that this legislation is good for Canada.

We heard over 200 presentations almost entirely opposing some part or all of this proposed legislation. Yet, at the end of the day, one hon. member from the other side of the House said that that was because our friends did not come before us. When we had business associations, when we had major corporations, when we had groups that represent employers across the country and sectors across the country appear before the committee to oppose the legislation, to suggest that the government's friends did not appear before it is quite silly.

I would like to say, in closing, that it is incumbent upon this House to do everything it can to ensure that every clause of this legislation is debated adequately.

Mr. Speaker: It being one o'clock, I do now leave the chair until two o'clock.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

SPORT

Mr. Guy St-Julien (Abitibi): Mr. Speaker, after Maurice Richard and Gordie Howe, today we have the great Wayne Gretzky. Last night in Edmonton, with 53 seconds to play in the third period, he scored and passed Gordie Howe's total of 1850 points. He added a second goal in overtime, giving the Los Angeles Kings a 5-4 win over the Edmonton Oilers.

Mr. Speaker, I would like to point out this great day to all Canadians. Wayne Gretzky is an example for our youth. Bravo, Wayne!

* * *

[*English*]

WORLD FOOD DAY

Mrs. Christine Stewart (Northumberland): Mr. Speaker, today is World Food Day, a day to remind us that all people everywhere have a basic right to sufficient food to sustain healthy, productive lives.

Each year our world loses 11 million hectares of forest and 25 billion tonnes of topsoil through wanton, destructive ecological practices. Each year vast tracts of the world's productive land become desert. In Canada every year we lose thousands of hectares of our scarce agricultural land through soil erosion, salination, and urbanization.

Current policies of the government discourage family farming, national agricultural self-sufficiency, and the production of food for Canadians.

World Food Day also reminds us of the thousands of hungry Canadians who are receiving totally inadequate support from this government. These Canadians, most of them children, are not lazy; they are hungry. Food banks are flourishing. All of this represents a totally unacceptable way to feed poor and hungry Canadians.

In Canada there are one million people living below the poverty line. They have inadequate food. There are daily too many Canadian farmers unable to continue farming because of this government's defective agricul-

tural policies. Before it is too late, may I remind this government of the woman who 200 years ago ignored her country's poor and declared: "Let them eat cake".

* * *

HOCKEY

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, hockey is a Canadian game. Gordie Howe and Wayne Gretzky hold a very special place in the hearts of all Canadians. Last night in Edmonton, the great one did it. No. 99, Gretzky, became the National Hockey League's leading career scorer. He surpassed Howe's 1850 points for goals and assists.

Wayne tied the record in the first period, beat the record in the third period, and in overtime he scored the winning goal. He now has a total of 1852 points. That is teamwork.

Congratulations, Wayne. We wish you continuing success.

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WORLD FOOD DAY

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, today marks the ninth annual World Food Day. This year's theme is "Food and Our Environment". The threat to food security is an increasing problem. The need to inform Canadians about global issues is now greater than ever. It is reported that the world produces enough food to feed all the people on the planet. We in Canada contribute substantially to the world's pantry, yet we hear almost daily stories of starvation and malnutrition. The problems relate to environmental degradation and food distribution.

The World Commission on Environment and Development has warned that without strong actions to redress inequalities in the distribution of the world's resources and the persistent abuse of the environment our very existence is in peril.

What is needed is an attitudinal change of dramatic proportions. This government's response to that challenge has been to reduce the amount of aid we give to tackle these issues. The last budget cut multilateral food aid by $32 million and bilateral food aid by $24.4 million.

Rhetoric will not feed the hungry of the world. It is time this government recognizes that Canada has the responsibility to play a lead in addressing the problems of food and our environment.

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NATIONAL UNIVERSITIES WEEK

Ms. Barbara Greene (Don Valley North): Mr. Speaker, National Universities Week is October 14 to October 22. I would therefore remind members of the enormous contribution made to our country by universities.

Universities in Canada have a tradition that goes back more than 200 years before Confederation. They are a rich, democratic and accessible resource devoted to the pursuit of knowledge in all fields, to the challenging of old beliefs and to the exploring of new.

Universities are devoted to developing our leaders of tomorrow. They play a vital role in preserving our culture and heritage and researching social and ethical concerns.

Medical, scientific, engineering, educational and other research have enhanced our lives, our industry, our international reputation, our future and that of the world.

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GOVERNMENT ADVERTISING

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the premature advertising of the goods and services tax is not the first time this government and its officials have usurped the right of Parliament and assumed that whatever the government wants the government will get.

In 1985 an official of the Department of Employment and Immigration took it upon himself to anticipate that Parliament would of course pass legislation to consider pension income as earned income, thereby disqualifying pensioners from receiving unemployment insurance. He wrongly advised a group of public servants who had been cajoled or coerced into taking early retirement not to bother applying for unemployment insurance because they did not qualify.

At that time the bill had not even been introduced in the House. The fact is that those retirees would have qualified for up to $16,000 in benefits each. Instead of

correcting its errors the government has dragged these people through five years of court hearings.

I appeal to the minister to accept responsibility for this injustice and to provide the benefits to which these retirees were and are entitled.

* * *

CO-OPERATIVE MOVEMENT

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, this week is Co-op Week in Canada. I am pleased to rise and pay tribute to the co-operative movement.

"Together we make the difference" is the co-op theme. It reminds us that this country was built, not by dog-eat-dog competition but by working together. The pioneers of the co-op movement are grassroots men and women with the vision to realize that ordinary people can accomplish great things by pooling their resources and putting democracy into action.

Today 12 million Canadians are members of co-ops. We have the legacy of the Antigonish Movement, the Desjardins Movement, the Prairie Pools, Federated Co-ops and local initiatives from coast to coast in such areas as housing, health, financial, fishing, and worker co-ops. In this era when individuals and communities are increasingly losing the ability to control their own destinies through corporate globalization, free trade, and volatile money markets, co-ops make more sense than ever.

Therefore I call on this government to show some faith in grassroots Canada and to give the co-op movement at least as much support and encouragement as it gives its corporate buddies.

* * *

HOCKEY

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I rise today to pay tribute to a truly exceptional athlete. On behalf of all Canadians I wish to extend congratulations to Wayne Gretzky on scoring point number 1851 last night in Edmonton's Northlands Coliseum, thus surpassing Gordie Howe as the NHL's all time point leader.

While the game of hockey has changed over the years Gordie Howe's all time point total, accumulated over an incredible 26-year career was a record that many believed would never fall. Yet last night it did. What makes this even more amazing is that it was done in just 11 seasons.

As one of Canada's greatest goodwill ambassadors Wayne Gretzky is a unique individual who has personified excellence and dedication to the sport of hockey. Last night's record breaking performance was quite an achievement in his illustrious career.

Even though he is now a Los Angeles King, Wayne continues to represent the sport of hockey and Canada in a dignified and sportsmanlike manner.

* * *

ATLANTIC CANADA DEVELOPMENT

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, once again I would like to remind the House of a major project in Atlantic Canada which will have a profound impact on the economies of all the Atlantic provinces but especially upon the areas on either side of the Northumberland Strait. The fixed link to P.E.I. will add almost one billion dollars to the region during construction. It will create new industries and services affecting every corner of the maritimes.

After completion the fixed link will remove barriers between the three maritime provinces and encourage interprovincial trade. It will be one of Canada's major tourist attractions. This privately funded project will be the focus of Atlantic Canada and its potential. It will offset any negative impact from the reduction of CFB Summerside, and it will improve transportation throughout the region.

I urge the Minister of the Environment to ensure that the study now under way will be completed as soon as possible so that the next steps can be taken toward a successful conclusion.

* * *

• (1410)

PEACEKEEPING

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, Elk Island recognizes the importances of the United Nations peacekeeping forces around the world.

Recently in Sherwood Park Alberta the Eric W. Cormack Branch No. 277 of the Royal Canadian Legion dedicated a specially designed wall to the United Nations peacekeepers. The ceremony included dignitaries and a great many military service personnel and was a tribute

to the valuable contributions of Canadian soldiers, sailors and air crew in maintaining world peace.

On behalf of all of the people of Elk Island, I salute comrade President Don Crockett and all the members of his branch for their continuing commitment, hard work and dedication to the worthy cause of the Royal Canadian Legion, and I thank them for reminding us of our responsibility as Canadians in working for world peace.

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FIREFIGHTERS

Mr. Peter L. McCreath (South Shore): Mr. Speaker, as a member of Parliament I deem it a privilege to present Fire Services Exemplary Service Medals on behalf of Her Excellency the Governor General.

The award is an extremely important form of recognition for Canadians who have made lengthy, essential and at times life threatening contributions to our communities.

Since the establishment of the award in 1985 the contribution of thousands of individual firefighters has been appropriately recognized. However, the current rules by which the award is made overlook a very important group of otherwise worthy and meritorious potential recipients; namely, those who would have qualified but retired from the fire service before the 1985 establishment date.

This is an injustice that should be rectified immediately even if it means retroactive recognition of some 2,000 or more individuals. I believe the cost to the Canadian taxpayer would be minimal in comparison with the contribution made, particularly by volunteers, to this vital community service.

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URANIUM MINING

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, I rise on behalf of concerned citizens in Rankin Inlet, Arviat, Baker Lake, and Whale Cove in the Northwest Territories. Some 531 people in Rankin Inlet, 293 in Baker Lake, 187 in Arviat, and 72 in Whale Cove have signed petitions opposing the development of a uranium mine near the settlement of Baker Lake.

The petitioners are concerned about the protection of Inuit land, protection of the Inuit lifestyle, protection of the wildlife and renewable resources, and protection of the well-being of the residents of the area.

I urge the Government of Canada to recognize and consider the views of these petitioners who have asked me to bring their concerns to the attention of the House of Commons and in particular the government.

* * *

WORLD FOOD DAY

Mr. Murray Cardiff (Huron—Bruce): Mr. Speaker, today 158 member nations of the Food and Agriculture Organization join in an annual observance of World Food Day. It is an occasion to reflect on an unfinished task—the eradication of hunger and malnutrition and the attainment of genuine food security for all people. This year's theme is: "Food and the Environment".

In Canada, World Food Day activities are co-ordinated by a World Food Day Association, an umbrella organization which brings together 235 non-governmental organizations, producer associations, provincial and local governments and many others. The World Food Day Association has from its inception received funding and support from the Canadian International Development Agency and Agriculture Canada.

Agriculture Canada and CIDA also have a long tradition of providing assistance to those in greatest need in the form of food aid. Even in times of financial restraint, Canadians on a per capita basis continue to provide more food in the form of food aid than any other country.

Just last week, the Prime Minister announced a $42 million economic package for Poland and Hungary. That includes $12 million in much needed food aid for Poland.

Let me assure the House and all Canadians that our efforts to help eliminate hunger will continue. Our efforts to educate people about the problem will continue. Our commitment and support are firm.

* * *

SOUTH AFRICA

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I am sure all members would rejoice with me in the

freedom that has come to Walter Sisulu in South Africa and many other black prisoners in that country.

While we rejoice at their freedom we also wonder why, at this time when it is obvious that sanctions are having an effect on South Africa, the Canadian government and the Prime Minister in particular would be drawing back from their commitment to impose further sanctions if apartheid is not dismantled.

It is obvious that it is not the intention of the new government in South Africa to dismantle apartheid. It is obvious that it is time for the Prime Minister to live up to his commitment to do that and to impose comprehensive, mandatory economic sanctions on South Africa so that what little progress has been made can be increased.

This is not a time to back down from Margaret Thatcher at the Commonwealth Heads of Government meeting in Kuala Lumpur. Mrs. Thatcher is increasingly becoming marginalized, is increasingly becoming a sort of an international joke who may have been powerful in the 1980s but will not be powerful in the 1990s. The Prime Minister should not become a joke himself by kowtowing to Mrs. Thatcher.

Let us have comprehensive sanctions now and let us bring the day of freedom for South Africa closer, faster.

* * *

REGIONAL DEVELOPMENT

Mr. Ken Monteith (Elgin): Mr. Speaker, it gives me great pleasure to bring to the attention of the House that Freightliner, one of the United States major truck makers, will construct a $32 million plant in my riding. This plant will create 600 permanent jobs and is expected to have yearly sales of over $400 million.

Freightliner chose this location because the region's citizens are good workers. Mr. John Mosier, president of the Canadian company, stated that the decision of the parent company in Portland, Oregon to allow Canadian expansion "shows faith in the Canadian operation and how they do business".

The members opposite feared that the free trade agreement with the United States would result in Canadian companies pulling up roots and moving south. The decision by Freightliner demonstrates quite the opposite.

ORAL QUESTION PERIOD

[*Translation*]

FREE TRADE

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Deputy Prime Minister. Recently, the prestigious National Planning Association of the United States published a report which said that the implementation of the free trade treaty could mean "a certain loss of autonomy in two important economic areas: monetary policy and taxation" for Canada.

I therefore ask the Deputy Prime Minister why the government negotiated a free trade agreement which would have such harmful results for Canada's economic independence. Why?

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, if I understand the question properly, the hon. member is claiming that the trade agreement has these fiscal and social effects.

What we have seen so far is the following. We have seen tremendous job creation since January 1, under the agreement. We have seen tremendous new capital investment intentions, the highest really in history since they have kept records. There has been a 27 per cent increased capital expenditure in the manufacturing sector in the last six months as a result in part of the trade agreement.

More important, because of this wealth, because of this energy, social programs will be able to be maintained and strengthened in the future.

Mr. Gray (Windsor West): Mr. Speaker, I want to draw the attention of the hon. minister to a recent report published by the prestigious National Planning Association of the United States. This report said that the free trade agreement will limit the autonomy of Canada in matters of fiscal and monetary policy. For example, it states:

> Increased capital market integration, as provided for in the FTA between the two countries, should increase the volume of such capital flows and therefore make Canada's exchange rate and trade account more vulnerable to shifts in U.S. monetary policy.

I ask the Minister: Will he not admit on behalf of his government that more and more, day after day, it is clear that the free trade agreement is and will be a disaster for Canada?

Mr. Hockin: Mr. Speaker, a country's autonomy in terms of fiscal policy and monetary policy is a direct result of the wealth of the country and the productivity of its economy. Under this agreement we have seen enormous quantities of new investment to put in place new plant and equipment for building a stronger infrastructure in our economy in the future. That of course will lead to autonomy in terms of fiscal and monetary policy.

More important, this particular agreement, by locking in a mechanism whereby we can retaliate against American actions which are unfair in terms of trade in North America, gives us additional autonomy that we never had before.

Mr. Gray (Windsor West) Mr. Speaker, the Canadian public will be very surprised to hear the hon. minister's answer. They have been led to believe by the government that there would not be trade difficulties requiring retaliation if this deal went into effect.

• (1420)

I want to ask the minister, specifically when he referred to job creation figures, why he and the government will not provide figures showing specifically how many jobs are created by the trade deal and instead are hiding behind the general Statistics Canada figures which make no distinction between jobs created through the trade deal and jobs created generally.

Why will the minister not take the studies the government produced before the election, which gave specific numerical projections of jobs to be created sector by sector, update them and give us the facts? Why will the government not come clean with Canadians?

Mr. Hockin: Mr. Speaker, the hon. member knows that an analysis of this subject takes a proper period to do. The Minister for International Trade made this clear to the standing committee last spring. That analysis should be done carefully.

In the meantime one can look to the future. How does one look to the future? One looks to investment in capital, investment in plant and equipment. It is up 13.6 per cent for business investment, over-all intentions; plus intentions are up 27 per cent in the manufacturing sector.

I know of no better example of the confidence that the business community and indeed the people of North America have in this agreement for Canada's economy than those particular figures.

* * *

TRADE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Deputy Prime Minister. I have here a copy of a release put out by the Prime Minister's office which states: "The Prime Minister announces growing global trade development strategy".

I also have here another release put out just about a year ago amidst the election by the Minister for International Trade which states: "Minister announces world market trade development strategy".

I also have another announcement made a few years ago by the other minister of trade called the "new national trade strategy".

Canadians would be interested to know, with all these different announcements for global, world, national trade strategies, what is the difference. Where does the difference lie? The programs announced in each of these releases are exactly the same. If anything the amount of money being announced is less than it was years ago because the expenditures have been reduced.

I ask the Deputy Prime Minister: Why does the government keep recycling old announcements, old press releases, and old programs rather than begin addressing seriously the question of how we regain the markets we have lost over the last four years?

Was the Prime Minister's announcement in Singapore just another example of a Singapore sling?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am happy to tell the hon. member that we have some news for him together with a reiteration of what this government has been saying for the past six months.

The important news is that under "Going Global" $65 million will be spent for trade promotion around the world, $15 million of it in the United States. The rest will be spent in the Pacific, Europe and other parts of the world. This is what globalization means. The government has made a commitment to it, and it was announced on Saturday by the Prime Minister.

Something else has been made clear, and I would add this is news for the hon. gentleman. The Pacific Asia Travel Association, the biggest association in the Pacific with 4,000 travel agents, will have its first meeting in the history of that organization in North America. Guess where they are having it, Mr. Speaker. They are having it in Canada in March.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I just want to make sure we have the statements by the minister correct. He said that they are announcing $65 million for new trade development promotion in the United States and Southeast Asia.

In 1985, under the national trade strategy the funding was $70 million. Now considering inflation that is about a 20 per cent reduction. In fact what the government is announcing is about a 20 or 30 per cent reduction in the amount of money going into trade promotion and development efforts in the burgeoning Asia markets.

Once again, I ask the government why is it cutting back, why is it reducing and slicing the ability of this country to trade abroad at a time when our export markets have fallen precipitously in the last eight months?

Mr. Hockin: Mr. Speaker, we will have to confirm the hon. member's statistics. I think he is wrong. I think the important thing for him to understand is the quality of our programs.

If the hon. member takes a look at what this government is doing in terms of international trade, he will see that we have programs that never existed before that are going to help us to penetrate foreign markets. A prime example is the whole border states program. Another program is put in place to take exporters abroad to help them with the new harmonized tariff system.

A third program will allow buyers from abroad, the Pacific, Europe, and the United States, to come to Canada and be matched up with our international trade centres. None of this existed before. These are qualitative improvements in our over-all trade strategy.

[*Translation*]

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, my question is directed to the Deputy Prime Minister.

According to a study prepared by the State of Pennsylvania, and I quote:

[*English*]

"Canadian firms are finding it easier to locate in the United States where the consumer market is some 10 times larger than her own and export back to Canada".

[*Translation*]

Will the minister finally acknowledge today that the loss of 60,000 jobs as a result of plant closings and production restructuring was caused by the Free Trade agreement? And could he explain why the United States is able to use the FTA to attract Canadian companies?

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I would like the hon. member to realize that 30 per cent of automotive production in North America is done out of Canada. Our population warrants 10 per cent and we are producing three times that.

In addition there are announcements every day in terms of this sector of new plants, equipment and expansions in Canada which are considerable.

As announced by the hon. member for Elgin, Freightliner will create 500 new jobs. It is a truck manufacturing firm in southwestern Ontario. I have here a quotation which states: "Hughes Aircraft expands in Canada". They see 500 new jobs. I have a quotation here from Honda Canada's president.

Some Hon. Members: What about GM?

Mr. Hockin: GM spent $8 billion in the 1980s. "Honda Canada's president endorsed the Canada-U.S. Free Trade Agreement", it says here in the *Calgary Sun*, "while he was in the city to open Calgary Honda yesterday. Free trade is not new for us. Every country should have free trade", he said.

Mr. Samson: Mr. Speaker, let us talk about recent announcements. Let us talk about General Motors.

On Friday 2,500 Canadians who worked for the Scarborough GM plant found out, like 60,000 other Canadians, that their employer thought it was time to close down or rationalize production in the U.S. There is no doubt, however, the auto and auto parts industry is one the state of Pennsylvania has decided to target in its rifle shot strategy to lure production out of Canada.

After giving in to the United States on Canadian content, conceding any right to extract guarantees from firms locating investments in Canada, and refusing to give Canadian firms any further assistance in export promotion, can the minister tell Canadians precisely what he is doing to ensure that firms like Hyundai, which Canada has paid to come here, will maintain production in this country rather than shift their plants and sourcing to U.S. producers?

Mr. Hockin: Mr. Speaker, before I respond on the automotive dimension of this, the hon. member is from northern Ontario and I think he would be very interested to know that last week the government under the FEDNOR program announced the establishment of Mirolin Industries in North Bay, a bathroom fixtures manufacturing operation. There are 319 jobs going there because of the strength of northern Ontario and because of the trade agreement.

The hon. member also knows that with the restructuring of GM in North America two things are happening. First of all, they are taking a look at their Scarborough van plant to see if it could be put to an alternative use. They have not announced its closure. They are studying to what uses it could be put. Even more important, Mr. Speaker, important GM facilities which have been based at Van Nuys, California are moving to—guess where—Canada.

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WEST COAST FISHERY

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, my question is for the Deputy Prime Minister.

The west coast fishing industry lost an important round when a month ago the free trade panel ruled against us with respect to the landing requirements for west coast salmon and herring.

The government has had a month. The final report is going to be released tomorrow. In anticipation of a similar ruling, does the government have contingency plans to deal with preserving the fishing industry in British Columbia, the 8,000 jobs, the protection of the resource, and the production of the industry?

• (1430)

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, as the hon. member has rightly pointed out, the government will be releasing the free trade panel response to the GATT decision. I think it would be appropriate if we waited to see what it says.

Some Hon. Members: Hear, hear!

* * *

VIA RAIL

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, on October 4, the Minister of Transport announced that this government will cut passenger rail service in this country by 51 per cent.

Some Hon. Members: Shame.

Mr. Comuzzi: Since then, this government has tried to justify this position. As we all know, it is unjustifiable. In fact, the Prime Minister said in this House that the government was not going to destroy VIA Rail. On the contrary, it was going to save it.

The Prime Minister told Singapore businessmen yesterday that Canada was trying to get rid of VIA Rail. When he realized what he had said, he immediately changed the subject.

Why does the Prime Minister say one thing in Canada and say something else in Singapore? Why doesn't he come clean with the Canadian people and tell the truth?

Some Hon. Members: Hear, hear!

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I am sure my friend won't have any objection to my quoting all what the Prime Minister said, not just the part which the member used.

The Prime Minister said, "We are not trying to get rid—" But he said, "We actually have a 13.5 per cent

manufacturers' sales tax. We are the only industrialized country in the world that penalizes manufacturers, so we have to scrap the tax". He was not talking about VIA Rail, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Comuzzi: A supplementary, Mr. Speaker. I thought my question had to do with VIA Rail. I wasn't talking about the sales tax.

The Prime Minister told Singapore businessmen yesterday that he was trying to get rid of VIA Rail. We know that from the remarks that were made. Why does this government not have the honesty to say to the people of Canada what the Prime Minister said abroad yesterday?

Mr. Bouchard (Roberval): Mr. Speaker, the Prime Minister in the last two weeks has said many times in the House of Commons that he wanted to keep VIA Rail. Moreover, he said that we want to keep a national network. It is also what we announced. The Prime Minister was here all the time when answering questions about VIA Rail. At no time did he say that he wanted to get rid of VIA Rail. He said he wanted to keep VIA Rail, but a national, sustainable and an affordable network.

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CONNAUGHT BIOSCIENCES

Mr. John Manley (Ottawa South): Mr. Speaker, my question is for the Minister of State for Industry, Science and Technology. It concerns the government's attempt to finally recognize for Canadians the importance of Canadian-made scientific research and development. On Friday he finally recognized that the proposed takeover of Connaught BioSciences by Institut Mérieux of France would not be of net benefit to Canada.

Why did the minister still give the company another 30 days to try to improve its bid? Why is the minister the only one who cannot recognize the fact that under no circumstances would it be in Canada's interest to have this company taken over by a foreign company?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, on Friday, as provided under the law, I issued a statement indicating the current bid by Institut Mérieux for Connaught did not meet the test of being a net benefit to Canada. I followed the law. I will continue to follow the law in terms of what is required for reviewing any takeover of any company of any sort and will ensure it is of net benefit to Canada before Investment Canada approves it.

Mr. Manley: Mr. Speaker, the government should know that if this takeover is approved, the Canadian people will know that both Investment Canada and the government's rhetoric are jokes.

[*Translation*]

The minister knows perfectly well that the French government would never allow a takeover of *Institut Mérieux* by Connaught.

Why is the Canadian Government doing nothing to prevent a takeover of Connaught by Mérieux?

[*English*]

Mr. Andre: Mr. Speaker, the hon. member without knowing the details of Connaught's operations, without giving any consideration to the nature of the vaccine, biotechnology and biosciences business world-wide, without recognizing the mergers of pharmaceutical companies that are going on around the world, without giving recognition to the advice of consultants and so on has said that we should not look at any of the evidence, we should not look at any bid that we should close our minds and make a decision before we review the facts. A closed mind decision may be appropriate for the hon. member. It is not for this government.

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VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport. This morning's *Toronto Star* says as follows: "In an embarrassing slip of the tongue, Prime Minister Brian Mulroney told Singapore businessmen yesterday Canada was 'trying to get rid of VIA Rail'. Then Mulroney caught himself. Glancing at the travelling Canadian press corps he changed the subject.

The question I have for the Minister of Transport: Which is it, is the Prime Minister out to save VIA Rail or is he out to get rid of it?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I repeat what I said before. I said that the Prime Minister has been here for two weeks. All the time we were talking about VIA Rail. He answered many ques-

tions in terms of maintaining a national service across Canada.

Once again, I disagree with the interpretation given of what the Prime Minister was talking about. He was talking about sales tax which is not the same as VIA Rail cuts.

Mr. Angus: Mr. Speaker, throughout the whole debate on VIA Rail, we have been hearing one thing at one time and another thing at another time from this government.

Last night on *The Nation's Business* the Minister of Transport said that he had instructed management at VIA Rail to deal with laid off VIA employees generously. This weekend we learn that this government intends to weasel out of its contractual obligations of VIA employees. Is this the government's idea of generosity or will the minister stand in the House today and give a commitment, not only to this House and to the people of Canada but to VIA Rail employees who will be laid off, that this government will instruct VIA Rail to adhere to the contractual obligations in the collective agreement that deal with permanent lay-offs of these employees in a positive way? Will he do that?

Mr. Bouchard (Roberval): Mr. Speaker, if my friend remembers, because he was at my press conference, it is exactly what I said in my statement of October 4. I repeat. I said the government has asked VIA Rail to respect the collective agreement which has been signed with the unions. It will be done. I always said that from the first day that the collective agreement had been signed with VIA Rail that it would, of course, be respected.

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TRANSPORTATION

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of the Environment.

Some time ago, an assessment review panel was appointed to assess the environmental impact of the fixed link to P.E.I. Considering that many people in my area of Atlantic Canada are convinced that the fixed link to P. E. I. will have a dramatic positive impact on the economy of all Atlantic Canada, especially those areas of the Northumberland Strait, can the minister tell me whether the assessment review panel is in operation? If it is in operation, does it have any conclusions? If it has no conclusions, when can we expect some?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the assessment review panel has been set up since last April. In May we were provided with a bridge concept assessment by Public Works Canada. In June, the panel held public meetings. In August, the panel requested more information from Public Works. They will get this information and we expect a report from the panel to be filed before next April.

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JUSTICE

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, my question is for the Minister of Immigration. A promising young reformist politician was murdered in the Philippines in 1986 four days after the presidential election. Rodolfo Pacificador is wanted for the murder. Yet this government has refused to deport him. Instead he has been released on bond. He has been given a working permit. Now he walks the streets of Toronto. He is a true fugitive from justice.

Meanwhile, the request of the Philippine government and the Philippine community in Canada to have him sent home to face trial has been unanswered. Why is this government, which deals quickly and harshly with penniless refugees, taking so long to decide whether a wealthy man is to be deported or not for murder? Is this not tantamount to a double standard? When can we expect a definitive answer?

• (1440)

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, let me say that this is one of those cases that, because of the privacy provisions, I am unable to discuss in the chamber today.

I recognize the sensitivity of these issues for people with concerns around regimes that we as a government and as Canadians never supported. Let me say as well that we are not in any way harsh with refugees. Quite the reverse. Our humanitarian approach to refugees is still among the most welcoming in the world. I know there

have been occasions when I have worked with the hon. member on some of these cases and I think he knows we do a good job.

Mr. Pagtakhan: My supplementary is for the same minister, Mr. Speaker.

When the new refugee system was put in place the minister promised that the government would have a faster track process to deal precisely with this sort of thing. But what is going on here? An accused murderer is walking the streets in Canada freely.

If the new system is so good, why does it take years to bring an accused murderer to justice?.

Mrs. McDougall: Mr. Speaker, I am sure the hon. member would agree that one of the reasons that people like to come to this country is because we have a system where the law applies to everybody in the same way. If there is due process under way then that process must be allowed to continue.

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FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for the Deputy Prime Minister. As he will be aware, the Minister of Fisheries has refused again and again to say whether there will be a special assistance program for fishermen or plant workers whose lives have been devastated by the fish quota cuts in the Newfoundland inshore fishery alone. There will be 2,500 workers who will not qualify for UI this winter because of the drastic fishery.

Would the minister now admit that it is the government's shilly-shallying which is putting thousands of workers in Newfoundland and Atlantic Canada on the welfare roles? Is he willing to undertake to light a fire under the Minister of Fisheries to bring in a special assistance program without any further foot-dragging?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, we have been working with the Province of Newfoundland on the current situation in the fishery in Newfoundland. We have now received the advice of the provincial government, which has been working very closely with our officials. I expect that we would have an answer shortly on the situation with regard to the fishery. We are working as quickly as we can on this because we recognize its importance.

Mr. Simmons: I thank the minister for her response, Mr. Speaker. I had intended to put a supplementary to her which I shall.

As she will know, like the cliché the proverbial round peg in the square hole or vice versa, whichever you like, the minister, I submit, with the new job creation regulations which are designed for Canadians in urban areas is forcing many thousands of fisheries workers who want to qualify for these programs on to welfare roles depriving them of a reasonable opportunity to get some income on standard make-work projects.

Would the minister indicate to the House that she recognizes that the job training requirements are not working in rural Canada, certainly not in rural Newfoundland, and would she undertake to bring in a program to cater to the particular needs of rural Newfoundlanders in this respect?

Mrs. McDougall: Mr. Speaker, I am not prepared to admit any such thing because it is simply not true.

Where there is high unemployment, as the hon. member knows, there are no changes or very minimal changes in the unemployment insurance system. The whole role of economic development and training go together. If we are going to develop the economy on a small or large scale, then we need trained people. The two have to go together, and we are working very hard on that. It has had success in areas of Newfoundland just as in other parts of Canada.

* * *

GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, three weeks ago the chair of the Finance Committee referred to seniors as being too old to need to spend money. Two weeks ago he said that Albertans were out to lunch on the issue of GST and suggested that they needed a grade five teacher to educate them.

This weekend our venerable "chair" remarked that business people who object to the proposed goods and services tax must be lacking in education and in competence. I would like to ask the Deputy Prime Minister whether these comments about a wide variety of groups and interests in Canada indicate that this government is

prepared only to insult those who oppose the GST rather than to listen to them.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to make quite clear that the way the hon. member has expressed the question is not correct. The hon. member to whom he has just referred is not speaking on behalf of the government.

We have indicated on many occasions that we want to listen to as many views as possible on the goods and services tax. One of the ways that we will be listening to those views is through the auspices of the Finance Committee. Other ways we are listening is through our own members of Parliament as well as through opposition members of Parliament and directly through representations that are made to the government.

Mr. Whittaker: Mr. Speaker, my supplementary question is for the same minister.

The recent remarks about business people dismissed the valuable study and research that has been done by the small business community and organizations such as the Canadian Federation of Independent Business and the Canadian Organization of Small Business. Can the finance minister assure this House that the concerns of the small business community in Canada will not be dismissed and that the government will accept the recommendation of the small business community and scrap this proposed tax?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the specific answer to that question is, no, that is not our intent. We have indicated that we listen to the small business community, its representatives and to all people who have a view that they want to express on the structure of this tax.

I think one thing that comes through very, very clearly and all the things that have been said about the goods and services tax is that we must make a move from the existing federal sales tax. The existing federal sales tax as was agreed, in two reports by the finance committee of the House of Commons, must go and the best option that we can look to is the goods and services tax.

We are now in the course of committee hearings and other forms of consultation to see whether there are ways of fine tuning this to make sure that we get the best sales tax system in the world today.

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, my question is for the Minister of Finance. Small business in Elk Island and in other parts of Alberta is concerned about changing the federal sales tax. Small business people say the old way was simpler. Why should small business support the GST?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I say to my hon. colleague how could the old way, the manufacturers' sales tax way possibly be simpler? We have 22,000 different tax treatments of 75,000 different manufacturers' goods. Twenty-two thousand different treatments.

Under the new tax, as the member knows, under the small traders' exemption, we will be exempting over half a million small businesses. Those that will be filing a remittance will be able to do so now—the vast majority of them—on one page rather than on dozens of pages under the manufacturers' sales tax.

Third, the cash flow is much better for small business under this than it is under the manufacturers' sales tax. You can get your credit back on your inputs before you sell your inventory—a tremendous improvement on the former tax—plus we have an administration rebate and we have a generous capital cost allowance for new equipment. Small business is better off under the GST than it ever was under the MST.

* * *

GANDER AIR CRASH

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Deputy Prime Minister and it concerns the Gander air crash of December 12, 1985.

For four years, members of Parliament have been asking questions on this issue and for four years the government has been telling us that there is not a shred of evidence of any terrorist involvement or anything like that.

• (1450)

For four years the government has been telling us that there was nothing untoward and that it was invisible ice on the wings that caused the Gander air crash.

Why is it that we were not told until an hour ago that CSIS had conducted an investigation into the Gander aircrash years ago? Why were we not told this in the

House of Commons? What does the government have to hide on this issue?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I said last Friday about Gander's crash that the government has done all that it needed to do about that crash. In fact, we did more. We asked a former member of the Supreme Court of Canada, Mr. Justice Estey, to conduct an investigation to see if we would have to have another inquiry on Gander. His decision has been very clear at that level.

Mr. Boudria: It wasn't ice on the wings. You are right.

Mr. Bouchard (Roberval): The member should look at the report by the judge another time. He did not understand it the first time, I believe. I think if you look at the report correctly, you will see what Judge Estey said. He said that it is likely that we will never know exactly what was the cause of the accident. But he said particularly that it is useless to have another inquiry. For that reason he recommended to me and the government to close the file, which is exactly what I did, Mr. Speaker.

[*Translation*]

Mr. Boudria: Mr. Speaker, first of all, Judge Estey informed the Government that the crash was not caused by icing on the wings. That is my first point. Second, I want to ask the Minister of Transport or the Deputy Prime Minister why the House was not informed that the Canadian Security Intelligence Service had investigated this matter. Why were we never given that information? I would also like to know whether Judge Estey was aware of this investigation.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, once again, all the facts, all documents and all the necessary information were submitted to a person who has a very high degree of credibility in this country. Perhaps the Hon. Member will agree that we can trust Judge Estey when he says in his recommendation to the Government that since there was no way to determine the exact cause of the accident, he did not see any need for a new inquiry that would reach the same conclusions. We therefore accepted the report, the case was closed, and we do not intend to reopen the Gander case, for very obvious reasons.

[*English*]

CANADIAN SIKH COMMUNITY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is addressed to the Deputy Prime Minister concerning the integrity of the Canadian Sikh community. Last June 22, I asked a question of the Secretary of State for External Affairs concerning the new book, *Soft Target*, which alleged that a special CSIS report was provided to the Secretary of State for External Affairs which alleges that Indian diplomats were subverting Canadians of Sikh ancestry in this country. No answers to date have been provided.

Given that this community has had to resort to an open public letter to the Prime Minister in order to get some answers and some justice, I would like the Deputy Prime Minister to inform the House and all Canadians about the facts surrounding this report. If, in fact, this report is in existence, how can this government have condoned the undermining of Canadian citizenship and its full rights by a foreign government in Canada and what action does this government plan to take against this foreign government?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, this question has been raised in the House before. It has been responded to by the Secretary of State for External Affairs. Of course, the Government of Canada is concerned about these sorts of activities and is very interested in pursuing them.

The Government of Canada does investigate these kinds of issues and they are dealt with in the appropriate manner. I regret that I cannot go beyond that at this time, but if there is any further information on this particular file, I would be pleased to look into it and get back to the hon. member.

Mr. Marchi: Mr. Speaker, with all due respect to the Deputy Prime Minister, the problem is that this House, Canadians, and the Canadian Sikh community have had no information. Therefore, the information that the community has is somehow that the government is either hiding something or not listening to Canadian citizens in

this country. That is why the question was posed last June and that is why the question was posed again today.

* * *

AIR INDIA CRASH

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary is again for the Deputy Prime Minister and it concerns another area of difficulty deeply felt by Canadians of Sikh ancestry.

Since the terrible tragedy of the Air India crash four years ago the government has not seen fit to grant a full public investigation into why and how this disaster occurred. I ask the minister since two special investigations have been initiated in both the Gander and Air Ontario tragedies, why is it that the government steadfastly refuses to conduct a similar public investigation into an accident which is historic and which claimed the lives of over 300 Canadians probably and certainly through the act of sabotage. Why apply a different set of criteria and a different set of standards, *vis-a-vis* Air India?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the hon. member asks me why we apply a different set of standards and criteria. The fact is that the two cases are quite different. In the case of Air India, the police investigation is still ongoing. Second, there are attempts to extradite certain suspects in connection with that police investigation.

Surely the hon. member would not want the Government of Canada, or anyone else, to take action that may very well impede the investigation process.

* * *

CORPORATE MERGERS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Finance. It concerns the activity on the TSE and other stock markets around the country, the jitters that are still there and the tremendous drop on Friday across the continent.

One of the reasons for the drop was a lot of activity in the stock market in the United States and Canada in the last year because of takeovers and corporate mergers and tremendous corporate debts. I know the Minister of Finance does not listen to the chairman of the finance committee. I had a chance to do some reading over the weekend and one of the books I looked at was *Where I Stand*. The author is a guy named Brian Mulroney.

Some Hon. Members: Hear, hear!

Mr. Nystrom: Will the Minister of Finance say whether or not he agrees with the Prime Minister who on page 52 of his book says:

> The government should eliminate the interest deductibility provision on non-productive corporate takeovers in Canada to ensure that large pools of capital are not diverted to useless empire building—

Mr. Speaker: I am having some difficulty in finding how that question is directly related to the administration of government. However, the minister may want to deal with it.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me comment first on the general premise. There has been a good deal more activity in the United States on takeovers, leverage buyouts and things related than has been the case in Canada. I do not think we have nearly the same problem here as there has been in the United States.

Having said that, I always listen carefully to what the Prime Minister says, as I listen to what the hon. member has to say. This particular issue is a very difficult one. I think that he and I would probably agree that unproductive takeovers are things that we would like to do without. The difficulty is in trying to define what an unproductive takeover is. That is why we have not been able to do anything to address the particular problem.

* * *

FOOD BANKS

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I have a question on another difficult matter for the Minister of Finance. The Vancouver food bank provides 3,200 bags of food weekly; Edmonton's food bank feeds 11,000 people each month; Regina's food bank provides 5,500 meals, 6,000 boxes of food a month and Toronto's food bank feeds 84,000 people a week. A Montreal study shows that one in five kids are hungry. Food banks in Canada are becoming institutionalized.

Is the minister planning to wait until food banks in Canada bar their doors to force this government to act, or is the government going to provide adequate financial support for Canada's hungry?

• (1500)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, during the course of the last five years we have demonstrated a very clear commitment to addressing the problems of those in lower income brackets. Let me just enumerate some of these matters. We have increased the size of the child tax credit quite significantly from what it was in 1984. We were the first government to bring in the refundable sales tax credit. That sales tax credit has been increased on two occasions since its introduction in 1986.

We also, through income tax reform in 1988, made changes that resulted in 850,000 low income Canadians being put in a position where they would not have to pay tax, from a position where they were paying tax. So, in each of these three areas we have been addressing the problems of those in low income brackets.

Mr. Speaker: Hon. members will know that some discussions have taken place. By consent of the House, I am instructed that the House is prepared to hear the Hon. Minister of Transport on a very unfortunate and unhappy matter. I will hear appropriate comments from the opposition as well.

* * *

DISASTERS

EAST COAST MARINE TRAGEDY

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, it is to my great sorrow that I wish to inform the House of the marine tragedy that occurred yesterday in the waters of the Atlantic, a few kilometres north of St. John's, Newfoundland.

This tragedy took place during a search and rescue operation conducted by the Canadian Coast Guard ship, *Sir Wilfrid Grenfell*. This ship was called to Middle Cove on the report of the Royal Newfoundland Constabulary that three divers there were urgently in need of assistance.

[*Translation*]

Upon arriving on the scene, the *Sir Wilfred Grenfell* launched two fast rescue craft. By then, two of the divers had managed to make it to shore on their own. One of the craft had just recovered the third diver when it was hit by a large wave and capsized, losing all occupants. The second craft immediately attempted rescue, but no trace of the four men could be found.

[*English*]

I regret that thus, four men were lost at sea; the diver, Leonard Caul, and the Coast Guard crew; Gregory Peddle, Officer in Charge; First Seaman Raymond Welcher, and Engineer Pierre Gallien. Their deaths bring to four the number of Canadian Coast Guard members who have lost their lives at sea in service in 1989.

It was on January 20 that Tom Shelby, of the Coast Guard western region, lost his life while going to the assistance of a tugboat in distress near Port Hardy.

I am sure that all members of this House will wish to join me in extending our condolences to the families of the victims of these tragic accidents. We salute their bravery and dedication.

Their loss is tragic, Mr. Speaker. I believe all members would agree that they shall be remembered as heroes both personally and as representatives of the thousands of men and women across this country who place their lives in peril to save the lives of others. Their daily bravery is testimony to the finest and noblest aspects of the human character.

We are indebted to these men and their colleagues in the Coast Guard and indeed, we are indebted to all of their fellow Canadians who serve in the dangerous professions, for it is the selfless courage of these thousands that provides hope and security to us all.

[*Translation*]

I am sure that all members of this House will join me in extending our condolences to the families of these victims. We salute their bravery and dedication. Mr. Speaker, we are indebted to these men and their colleagues in the Coast Guard; and indeed we are indebted to all of their fellow Canadians who serve in the dangerous professions, for it is the selfless courage of these thousands that provides hope and security to us all.

[*English*]

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise on a sad note in response to comments made by the Minister of Transport, to relate to the House two tragic incidents that occurred in Newfoundland over the weekend.

The first occurred late last week in the small community of Jamestown, in Bonavista Bay in my riding, where three men tragically lost their lives when they drowned in a motor vehicle that was claimed by the sea.

Yesterday in the community of Middle Cove, just outside of St. John's, in a combined diving accident and search and rescue attempt, a diver and three members of the ship's company of the Canadian Coast Guard vessel *Sir Wilfrid Grenfell* were also claimed. This is once again a grim reminder of the rigours and the dangers of the ocean that are faced by Canadians who go down to the sea in ships, and equally by those who live by the sea.

I am sure I am joined by my colleagues on both sides of the House in extending our deepest sympathy to the bereaved families and in recognizing the incredible feat of courage involved.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I want to join with the Minister of Transport and the member for Bonavista—Trinity—Conception in expressing my party's thoughts on this weekend's tragedy.

First I wish to extend our condolences to the family, friends and co-workers of the three Coast Guard employees, Gregory Peddle, Raymond Welcher and Pierre Gallien who perished this weekend, as well as Tom Shelby from the western region who died in January of this year.

I also want to express our condolences to the family of the diver, Leonard Caul, who perished as well.

Second, I want to pay tribute to these four men from the Coast Guard and countless others in the employ of the Government of Canada who regularly put their lives on the line in order to protect others. Search and rescue is a dangerous and sometimes deadly occupation. Yet these men and women risk their lives on an ongoing basis in order to save others from injury and death.

The same can also be said of the airborne search and rescue teams, both military and civilian, who log thousands of hours in search of lost aircraft.

They all make an extremely important contribution to this country, Mr. Speaker. In paying respect to these heroes of the Canadian Coast Guard, we are also saying thank you to them and their families for their sacrifice on all our behalf.

I believe it would be appropriate for us to spend a moment in reflection, but I am at your discretion, Sir.

Mr. Speaker: I think the suggestion is appropriate under the circumstances.

Whereupon the House stood in silence for one minute.

* * *

POINT OF ORDER

COMMENTS OF MINISTER

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, I rise on a point of order. In reply to a question that I put to the Minister of Fisheries and Oceans on October 5, 1988, the minister said there were not rights written on fishing licences.

I would like to draw to the attention of the members of this House the commercial fishing licence that I have of a P.E.I. tuna fisherman. It states very clearly on the licence that P.E.I. fishermen have the right—

Mr. Speaker: The hon. member is rising on a point of order but it is actually a question of debate about something a minister may or may not have said. The hon. member may have a point in argument or a point in debate, but it is not a point of order. It is not a procedural matter.

I do not think it is appropriate to enter into a debate at this time. The hon. member, of course, has other ways of raising this matter with the minister or other ministers, if that is appropriate. There are members' statements and there is also Question Period. I am sure the hon. member would want to avail himself of those more appropriate methods of taking up the issue again. Orders of the day.

GOVERNMENT ORDERS

• (1510)

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, as reported (with amendments) from a legislative committee; and on Motions Nos. 4, 5, 6, 7, 8, 10, 11, 12, 13 and 14.

SPEAKER'S RULING—MOTIONS IN AMENDMENT

Mr. Speaker: There are 53 motions in amendment set down on the notice paper in relation to Bill C-21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act.

Motion No. 1 standing in the name of the hon. member for Saskatoon—Dundurn causes the Chair difficulty because the hon. member is seeking to amend an interpretation section through a substantive motion. This is contrary to Citation 773, subsection (10) of the fifth edition of Beauschene. Therefore, Motion No. 1 will not be selected.

Motion No. 1(a) standing in the name of the hon. member for Mission—Coquitlam causes the Chair much difficulty as it does not appear to fit into the bill. Therefore, Motion No. 1(a) will not be selected.

Motions Nos. 1B, 14A, 17A and 38 standing in the name of the hon. member for Mission—Coquitlam are attempting to amend sections of the original act which are not included in this bill. Therefore, again in accordance with Beauschene's Citation 773, subsection (8), these motions will not be selected.

Motions Nos. 2 and 2A standing in the names of the hon. members for Saskatoon—Dundurn and Mission—Coquitlam propose a fundamental change to the bill with respect to major and minor claimants. The Chair believes that the hon. members in so doing are going beyond the principle of the bill and, as a consequence, I will not be able to accept these motions.

Motions Nos. 4, 5, 6, 7, 8, 10, 11, 12, 13 and 14 are in order. They will be debated together and voted on as follows:

(a) Since Motion No. 5 is consequential to Motion No. 4, the vote on Motion No. 4 will be applied to Motion No. 5.

(b) An affirmative vote on Motion No. 6 will obviate the need to put the question on Motions Nos. 8 and 11, but a negative vote on Motion No. 6 will require putting a question on Motions Nos. 8 and 11.

(c) A vote on Motion No. 7 will dispose of motion numbered 10.

(d) Motions Nos. 12, 13 and 14 will be voted upon separately.

Motions Nos. 5A, 5B and 9 standing in the names of the hon. members for Cape Breton—Highlands—Canso, Saskatoon-Dundurn and Mission—Coquitlam each seek to introduce a new concept into the bill. This is contrary to our practice as set out in Citation 773, subsection (1) of Beauschene's fifth edition. Consequently the Chair must hold that these motions not be selected.

Motions Nos. 15, 16 and 18 will be grouped for debate with a vote on Motion No. 15 being applied to Motions Nos. 16 and 18.

Motions Nos. 17 and 20 will be debated and voted upon separately.

Motion No. 18A standing in the name of the hon. member for Mission—Coquitlam will not be selected as it is similar to Motion No. 18 which has been selected and grouped with Motions Nos. 15 and 16.

Motions Nos. 21, 22 and 23 are acceptable. They will be debated together with a vote on Motion No. 21 disposing of Motions Nos. 22 and 23.

Motions Nos. 19, 24A, 27 and 28 all seek to introduce new elements into the bill contrary to Citation 773, subsection (1) of Beauschene's fifth edition.

In a similar vein, Motion No. 24 moves to set up a board which would be appointed by the Commission. This is a concept which was not contemplated at second reading and is therefore beyond the scope of the bill. For this reason, the Chair has no choice but to declare this motion out of order.

Motions Nos. 25, 26 and 39 are acceptable. They will be grouped for debate with a vote on Motion No. 25 applying to Motions Nos. 26 and 39.

Motions Nos. 29 and 32 standing respectively in the names of the hon. the Minister of Employment and Immigration and the hon. member for Notre-Dame-de-Grâce are in order. They will be grouped for debate and voted on as follows: an affirmative vote on Motion No. 29 obviates the necessity of the question being put on Motion No. 32; and a negative vote on Motion No. 29 necessitates the question being put on Motion No. 32.

Motions Nos. 30, 33 and 34 are acceptable. They will be grouped for debate but voted on separately.

Motion No. 31 standing in the name of the hon. member for Saskatoon—Dundurn causes the Chair difficulty in that it seeks to add a condition to the clause. This is not in order or consistent with practice. I would refer the hon. member to May's twentieth edition at page 557. Therefore, it will not be selected.

Motions Nos. 35 and 36 are in order and will be debated together but voted upon separately.

Motions Nos. 36A, 37, 37A, formerly Motion No. 3, and 40, will be debated and voted upon separately.

Motion No. 41 standing in the name of the hon. member for Saskatoon—Dundurn causes the Chair difficulty. It appears to be inconsistent with the principle of the bill as adopted by the House at second reading. Nevertheless, the Chair will give the benefit of the doubt to the member and allow his motion to be put to the House. It will be debated and voted on separately.

Motions Nos. 42 and 43 standing in the names of the hon. member for Saskatoon—Dundurn and Notre-Dame-de-Grâce are out of order as Motion No. 42 brings to the bill a new concept not envisaged at second reading and thus it is beyond the scope of the bill, contrary to Citation 773, subsection 1, of Beauchesne's fifth edition.

Motion No. 43 places a condition on the bill that is a direct negative of the legislation, which is contrary to Citation 773, subsection 5, of Beauchesne's fifth edition. I would also refer hon. members in this connection to May's twentieth edition at page 557.

In summary, Motions Nos. 1, 1A, 1B, 2A, 5A, 5B, 9, 14A, 17A, 18A, 19, 24, 24A, 27, 28, 31, 38, 42 and 43 are out order.

Motions Nos. 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 22, 23, 25, 26, 29, 30, 32, 33, 34, 35, 36, 36A, 37, 37A, formerly Motions No. 3, 39, 40 and 41 are acceptable and will be put to the House in the grouping and order I have outlined.

I again want to thank hon. members for their co-operation. Hon. members will know that with a large number of amendments on a bill which is clearly of great interest to the House, a great deal of work does have to go into the selection of the amendments and, as much as possible, this is discussed as carefully and thoroughly as we can with hon. members before the ruling is made. Again, I thank hon. members for their co-operation and I know I speak on your behalf when I extend to the Table our appreciation for their work.

MEASURE TO AMEND

Mr. Allmand: Mr. Speaker, I rise on a point of order. I note that you have grouped together Motions Nos. 21, 22 and 23 for debate. You have also indicated that a vote on Motion No. 21 would take care of Motion No. 22 and 23. I simply point out that Motions Nos. 21 and 22 are on completely different matters and I do not see how a vote on Motion No. 21 could deal with Motion No. 22.

Motion No. 22 deals with whether or not there should be an appeal from certain decisions by the Commission with respect to training, whereas Motion No. 21 deals with the question as to whether or not money should be spent for new businesses, whether a claim for unemployment insurance could use a lump sum of that money to start a new business. I do not know how a decision on whether or not the money should be used for a business will determine the question as to whether there should be an appeal on a whole wide range of questions dealing with training. I simply bring that to your attention and ask that perhaps there be different voting arrangements.

Mr. Speaker: I thank the hon. member for Notre-Dame-de-Grâce for raising this matter. Perhaps it would be best to begin debate. But the Chair will consider the remarks by the hon. member and I hope to be able to come back shortly and render a satisfactory answer. The hon. member on debate.

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, as you know the legislative committee of this House carried on public hearings on this bill for approximately four weeks in all provinces of this country and also carried on extensive hearings here in Ottawa. As a result of those hearings, 157 out of 202 groups appearing before the committee vigorously, strongly opposed this bill.

• (1520)

As a matter of fact, a great percentage of those 157 groups appearing asked that the bill be withdrawn and sent back to the drawing board to be redrafted. I mention that because a good number of the 50–odd amendments to Bill C–21 that were put before this House arose from the public hearings. These are not amendments that have been created in the minds of Liberals, these are amendments that were strongly urged to the committee by the witness groups that appeared.

Why did these witness groups opposed this bill in such large numbers? They did so because the minister, through the bill, intends to reduce unemployment insurance benefits by between $1.3 billion and $1.5 billion. She intends to take that amount of money away from unemployed workers; money they need to pay their rent, buy their groceries and pay for the necessities of life while they are unemployed.

Several impact studies that have been made on this bill, but the global impact study indicates that 155,000 Canadians would lose their benefits altogether as a result of this bill and that 775,000 would have their benefits reduced. If you have your unemployment insurance benefits cut out altogether or reduced and you are left without unemployment insurance, there are only two alternatives. You have to either go to the soup kitchen or to the provincial welfare system. That is not an option that we, as federal members of Parliament, should be imposing on unemployed Canadians.

In response to that, the minister and the government will say, yes, they are taking between $1.3 and $1.5 million out of the unemployment insurance fund, away from unemployed Canadians, but they are going to use it for training and development.

In many parts of this country unemployed workers are saying, "training for what?" They come from one–industry towns and there are no other jobs in those towns except those that they were doing. They want to know if they will be trained so that they will have to go to Toronto or some other high growth area of this country?

That is a general introduction to this particular bill. This group of amendments which is before us, deals with special benefits, not regular benefits. These amendments deal with maternity benefits, adoption benefits, parental care benefits and sickness benefits. These are unemployment insurance benefits that go to individuals who qualify under those categories.

According to present law, maternity and day care benefits lumped together amount to 15 weeks. A pregnant woman could get 15 weeks of benefits either before or after the delivery of the child. The law also provides 15 weeks of benefits to parents who adopt a child. The present law provides 15 weeks of benefits to people who are sick and cannot work.

As you know, there were several court cases with respect to these provisions. The courts ruled in the Schwartz case and the McGuinness case, that we should divide maternity benefits from parental benefits because maternity benefits should apply only to the woman having the child, and should relate principally to her condition while she is pregnant.

They said child care benefits should be permitted to either the father or the mother, and consequently should be an additional type of benefit. As a result of the court decisions, I give credit to the government but it was obliged by the courts to bring the Unemployment Insurance Act up to date. It will now provide 15 weeks of benefits for maternity and 10 weeks of benefits for child care which can be taken by adopting parents or by the father or mother. It will still provide 15 weeks of benefits for sickness.

That is good as far as it goes, but I want to raise some serious objections to what the government is doing. To begin with, at the present time, adopting parents have 15 weeks of benefits. Under this bill their benefits will be reduced to 10 weeks. That is not acceptable.

I have moved in Motions Nos. 7 and 10 that these 10 weeks of day care benefits or parental benefits be extended to 15 weeks for all parents, natural parents and adopting parents, so that the child care benefits will be the same for all parents and will be the same as they are under the present legislation.

Under this legislation, as well, the government is saying there will be 15 weeks of benefits for maternity, 10 weeks of benefits for parental care and 15 weeks of benefits for sickness. However, under this legislation, if you have to combine them together, the government says the maximum can only be 30 weeks. There were many interventions before the committee pointing out how that provision is discriminatory to women. We are saying that because of their pregnancy they will not have full access to the 15 weeks of sickness benefits.

I refer to the very well prepared brief submitted to us by the National Association of Women and the Law. They say that while clause 9 would improve the act by increasing the amount of combined pregnancy, sickness or accident benefits to 30 weeks from 15 weeks, they state: "It is our belief that sickness or accident benefits should not reduce entitlement to maternity or adoption benefits, or vice versa". They then refer to Section 15 of the Charter of Rights and Freedoms which states that there can be no discrimination on the basis of sex. They argue very strongly, and I am convinced by their argument, that this limitation of 30 weeks on sickness, maternity and parental care benefits is wrong. My amendment in Motion No. 13 would do away with that maximum.

My final remark is that the minister herself has introduced a amendment to her own bill in which she attempts to deal in a very selfish way with the brief put to us by adopting parents. The minister said she would be willing to extend the benefits for adopting parents from 10 to 15 weeks but, only if the child were six months old when it was delivered to the home and only if a medical practitioner or an agency that placed the child certified that the child had physical, psychological or emotional conditions that require an additional period of parental care. I think that is very niggardly. I cannot understand why the minister would not simply agree to increase the benefits from 10 to 15 weeks so that they would be the same as they were in the past.

I urge the House, government members and the minister to go the whole distance and permit 15 weeks instead of 10 weeks for adopting parents and for natural parents in taking care of their children. I would also urge the minister to remove this discriminatory clause against women which limits the total benefits to 30 weeks. It in fact discriminates against women because it says because of their pregnancy they will not have the right to the full 15 weeks of sickness benefits. If the minister does not do that, we know that there will be a challenge before the courts sooner and later and she will have to change that section anyway, just as some of the changes in the bill were brought about through decisions of the courts.

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I am pleased to have an opportunity to say a few words on the amendments to Bill C–21 before us, particularly those applying to adoptive parents.

One of the individuals involved in the court case referred to by the previous speaker is a constituent of mine. His difficulty was that because his wife was confined to hospital following the birth of their baby, he was denied any kind of benefits under the Unemployment Insurance Act because he was looking after the children at home. As you know, Mr. Speaker, the courts ruled that that was discrimination and ordered the government to do something about it. What the government did in this legislation, as I understand it, rather than provide 15 weeks of benefits for an individual such as that constituent of mine, it proposes to reduce everyone's benefits to 10 weeks duration. The government was acting like a bunch of Liberals in trying to bring about that kind of justice to those individuals. It seems to me that if this government is serious about the kinds of things it says about the importance of the family unit, then the first thing this government should be doing is correcting those injustices that were in not only the previous legislation but in this amended legislation which has been before committee and is now before the House.

• (1530)

It is also true that of the 157 groups which appeared before that committee, hardly any did not criticize one or more aspects of the proposed amendments that we have before us, especially the ones that the government has presented.

I heard a spokesman for the Liberal party tell us that it, too, condemns what this government was doing. Prior to coming into the House I looked into my own records from the time that I came into the House in 1980 and from the job that I had prior to being elected, which was a trade union representative. I had considerable time to spend on problems that members in my union and

members of the community had had with the Unemployment Insurance Act when the Liberals were in power.

Mr. Harb: Over there, now, over there.

Mr. Young (Beaches—Woodbine): One of the Liberal members says, "Over there". I think it is important that people realize that what we are dealing with today are principles that were advanced by the Liberal Party when it was in government. In fact, it is probably fairly accurate to state that this government is finishing the agenda that these guys started.

Some Hon. Members: Oh, oh!

Mr. Young (Beaches—Woodbine): They obviously do not want to believe what I am saying so I want to refer to the record and let them answer to that, rather than making noise at us people in the New Democratic Party who like to tell the truth about what various governments do.

I will give in point form some of the history which led us to the point we are at today. In 1976, for example, under a Liberal government, the maximum age for coverage was reduced from age 70 to age 65, cutting off a whole group of Canadians who had relied on that social safety net to provide them with an adequate social income after they left the workforce.

In 1976, also, the benefit rate for claimants with families was reduced from 75 per cent of insurable earnings to 66 and two-thirds per cent. The disqualification period for voluntary quits doubled from three to six weeks. In haste, one year later, in 1977, maximum weeks of benefits were reduced from 51 to 50 weeks. Eight weeks minimum attachment to the labour force for benefits was replaced by a variable requirement between 10 and 14 weeks.

In 1979 the benefit rate was reduced from 66-2/3 per cent to 60 per cent. People whose incomes were 1.5 times the maximum insurable earnings were now required to pay back 30 per cent of the benefits exceeding that threshold. You may be interested to know that that was the first case of income testing under that particular program.

At the same time, the government introduced a section that dealt with repeaters and new entrant provisions which established higher requirements for benefits to new entrants to the workforce, and for people who had claimed in the previous year. Then in 1980, the cost of operating the national employment service was shifted to employees and employers, and employers and employees became liable for all costs of initial and labour force extended benefits. That is not too far off what this government is doing.

I remember when the then Minister of Employment and Immigration made a proposal in the House that took funds from the unemployment insurance program for retraining purposes. That is exactly what the government is doing. The government, however, says to people in Newfoundland, in Nova Scotia, in New Brunswick, and in areas of the country where there is already severe unemployment, that it is going to reduce unemployment insurance benefits to provide retraining funds. Retraining for what, Mr. Speaker?

In effect, what the government is proposing to do is have the highest trained group of unemployed people in the country. use, if it is justified in using unemployment insurance funds, for real job creation in those areas of the country where it is needed.

I had the opportunity to speak in the House on another matter a few days ago and I spoke about a recent visit I had made to Nova Scotia, to Cape Breton actually, a small community just outside of Sydney. In that community something like 60 per cent of the adult population is unemployed, and the average per family income in that community is about $24,000 a year. There is a large coal mine in that community that employs about 1,300 people, but it is threatened with closure. Here you have a community with very serious unemployment problems and this government is talking about reducing the amount of benefits these individuals will receive when they become unemployed, but the government is going to use the money to retrain them. For what? There are no jobs in these communities, and the jobs that do exist are rapidly disappearing.

I beg to ask the question again, and I wish I could hear some member of the government stand up and explain this to me and to people in those communities, what kind of jobs are these people going to be trained for? What kinds of programs is the government going to put in place to ensure that if people are government the benefit of the doubt, what kind of job creation programs are going to be implemented to provide those communities with meaningful jobs?

I have not heard any member of the government explain that to the House, even though there have been numerous questions in Question Period and there have been numerous questions raised before that committee that travelled around the country. Still we have not heard from the government. All we hear about is how the government is going to do the unemployed a favour

by initiating job retraining programs but without providing the jobs. Now, that does not make any sense to me, it does not make sense to people in these communities and it certainly does not make sense to the families of those people who are already unemployed and who have very little hope for the future.

I want to add whatever little weight I have and ask the members on the government side to open their ears and their minds and listen to those arguments, especially when we are dealing with this debate on a very serious matter for all Canadians. Even though many people may have jobs which may appear to be fairly secure just now, I would suggest that there are an increasing number of Canadians who do have jobs but who are becoming very concerned about their security in the future, not only for themselves but for their kids, their relatives, for the people who live next door, for the people who live across the street. They all know that in these times in Canada, particularly with the free trade agreement, there is a deep level of concern in the country about employment opportunities.

I see that you are giving me the high sign, Mr. Speaker. Of course, I always have great respect for the Speaker so I will wind down. Thank you very much for your usual kind attention. I would urge the government to get on with the business of the country and act in the best interests of Canadians.

• (1540)

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I want to speak to this package of amendments, but I should declare to the House that in a sense, I have a special interest in the proposals being debated, first, because the new legislation that deals with adoptive parents is something that I had changed when I was minister back in 1983 and had introduced the 15–week adoptive parent rule at the time because of a number of inequities. I should point out that at the time, it was supported by all parties in the House. I would recommend to members on the opposite side in particular the quite eloquent speech made by the now Minister of Justice, who, in supporting the legislation I introduced in 1983, spoke about the questions of equity and fairness, and the lack of discrimination that should be afforded the parents of whatever child, whether natural or adoptive.

I also want to speak as a parent of an adopted child. One followed the other, and I did not in any way preview in 1983 that I would eventually become a parent of an adoptive child but I subsequently did. While I speak with a special interest, I also speak from experience, and I speak with a special knowledge, and, I would say, with a special concern about this subject.

I do not understand why the government is changing what was a good piece of legislation which provided the same treatment for parents dealing with new children coming into their households, whether by natural means or by adoptive means. It is as simple as that. There is no difference in the requirements. There is no difference whatsoever in the need to establish a bonding with the child, to deal with the very important period of establishment of affection and development of the child during that period of time. It does need a parent in the home for as long a period as one can be established.

It was a recognition, in particular, that the maternity benefits provisions and the parental benefits are not related to a medical reason *per se*, but are related to the question of the child itself and the relationship of the child developing in that family. The importance that we place in this country upon the development of the family has to be incorporated in legislation.

If the government says there is a difference in that family relationship, between an adopted child and a natural child, then so will the private sector say the same thing. A whole series of benefits will be thereby altered.

I also want to point out that it is very important in terms of the future of the child itself. Why would one want to say that there is different treatment being meted out to an adopted child versus a natural child? Saying that one parent is entitled to 25 weeks and the other to 10 weeks one is immediately saying that there is a difference in the process. There is not, Mr. Speaker, and I can say very clearly that when the child becomes part of that family, there is no difference.

I want, as well, to speak to the amendment that the minister brought in, which in a sense makes it almost worst. Now it is saying that an extra five weeks can be applied if there is a certificate by an agency or a doctor or some other official intervening. That is not the way to create a sense of fairness or equity. We are now introducing a new bureaucratic process into the exercise.

We are now creating a further impediment or barrier to that kind of economic and social well being. Why? What is the point of it? It gives more work to the agencies, to the medical practitioners. It creates more awkwardness, more cumbersomeness. It simply is bad law.

For a government that likes to pride itself on trying to keep things simple, trying to eliminate more bureaucracy, here is an amendment which, in fact, adds to it, makes it more cumbersome, more complex and, in fact, I think provides for an even further discrimination. It is saying that one only gets that extra leave if the child shows mental, emotional or physical problems. Who is the judge of that? Are we going to take a young child and say that that important period of having to be bonded with the parent is somehow based upon a problem and that it has to be certified? Is that the way we want the child to start life in the family, certified by a doctor or by a social worker that he or she is a problem child? Is that something we want on the record as a basis for trying to get leave? Any proper parents will not subject themselves to that kind of requirement. It only provides another major barrier, it is simply providing for an unequal and discriminatory set of questions that have no place in this legislation.

I suppose if we were talking about billions of dollars, one would say that maybe there is a reason for it. We are talking about maybe $1 million in extra costs at most, based upon the benefit period last year. Maybe it was $1.5 million, but the fact is that the amount of money that is involved is nothing, but in terms of speaking of the nature of a child's relationship with the family and the future, it says an awful lot. I say to you that this amendment only makes the matter worse, or at least it does in my view.

Let me bring up another point that was drawn to my attention recently in my constituency office while talking to parents. We all know that at some point soon, we will be seized in this House with the question of abortion and the question of offering a choice on children and what to do with them. Clearly, one of the options, an important option that has to be offered, is the question of adoption. When you are asking a young, unmarried woman or a single parent to face that question, one of the really important problems that many face is whether to keep the child.

Mr. McDermid: Single men.

Mr. Axworthy (Winnipeg South Centre): And the men, that is true.

Mr. McDermid: I have a friend who is in that position.

Mr. Axworthy (Winnipeg South Centre): In both cases, and I agree with the hon. member. The question is whether to keep the child or to put it up for adoption. I think one has to eliminate economic and social barriers to that option. If you are going to offer true choice, real choice, then take away the economic or social constraints on that choice, eliminate the kind of problems that a potential parent may see. I will have more to say about that during that debate but, surely, if you are putting a further barrier, a further handicap on the question of adoption, you are adding a further constraint on the choice as to whether adoption is one of the viable choices to be made.

It has repercussions way beyond just unemployment insurance. This particular motion speaks to an important part of family policy in this country. It speaks to how we look at children, how we look at the family and the relationship between them. I do not see the minister in the House, and I am not being critical, but I would hope those who speak to the minister would draw this to the government's attention and would say that it does not change the intent of the bill. This is not something that is going to do damage.

I do not agree with the intent of these amendments. God knows, when I was Minister of Employment, I fought for totally opposite kinds of views because I saw unemployment insurance as an expansive, inclusive kind of legislation and not one that tries to restrict or exclude, so it is a different philosophy.

The government may have that right, but on this measure alone, I think we are dealing with something that Conservative members previously fully adopted and supported in 1983. Why they would change their minds now, I have no idea. Why a worthy and distinguished member like the Minister of Justice would change his mind and vote for something like this, I have no idea, because he was very eloquent in supporting the 1983 amendments.

Furthermore, I would say to members generally, look at what this amendment does. Look at what they are talking about. We are simply saying that there is a discrimination. There is a distinction. There is a difference between the nature of a family relationship if the child is natural or adopted. I do not think anyone in this House or in this country wants to create that kind of discrimination. I would simply ask members opposite as I would ask members of the House generally to be very careful when they come to this series of amendments.

My colleague, the member for Notre–Dame–de–Grâce, has brought in the proper amendment, to simply restore the status quo, to make it clear that all families and all children get treated the same. I would encourage members on both opposition and government sides to vote for that amendment. It makes sense from a family point of view. It makes sense in terms of the basic principles of equity and equality in this society.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I wish I could say it is a pleasure to rise to speak on this bill today. It is not. I wish it were not here. I wish it would go away. I wish the government would go back to the unanimous recommendations that were reached by an all–party committee in the previous Parliament to truly reform the unemployment insurance bill. With the support of government members and opposition members from both parties, the government has chosen to go in a completely opposite direction, to take a punitive and blaming approach toward those who happen to be without a job through no fault of their own.

• (1550)

As we travelled across the country, we heard in city after city and town after town about how this bill will contribute to the growing disparity in our country between those who have and those who have not. It will make people who are the working poor even poorer and those regions which are poor even poorer.

This is exemplified by the fact that those with the lowest incomes lose the most in benefits. Perhaps I could just give a couple of examples. Those earning under $10,000 who are disqualified or limited in their benefits by this bill lose the greatest amount, on average, over $1,000, over 10 per cent of their income, when they cannot meet the new requirements of this bill. Eighty per cent of those who lose under this bill earn under $25,000 a year. In many regions of this country, that is not even a poverty level income for a family.

The growing disparity is demonstrated by the fact that the highest loss per person who loses benefits or fails to qualify for benefits is in Newfoundland. If there are people who can argue that Newfoundland has the most thriving economy of the regions in this country, then I do not think they have their eyes on reality.

I wish to speak specifically to this group of amendments. The few saving features of the bill are not nearly enough to compensate for the tremendous damage it does to those who can least afford it. The few saving features of the bill are here, not from a desire on the part of the government to reform the unemployment insurance system, to make it better or fairer or to make it of more assistance to those who need income replacement when they do not have a job. They arise in fact from court decisions that left the government no option. One of those is the provision of parental benefits to natural parents as well to adoptive parents.

The courts have determined that in fact, it is contrary to the charter if natural parents do not enjoy the same parental and child care time as adoptive parents enjoy.

However, to introduce that equality, the government has chosen not to provide the same benefits to natural parents as to adoptive parents, but to reduce the benefit to adoptive parents. It has shown no interest in doing what is fair and just in providing to natural parents that which adoptive parents have enjoyed for a number of years and that which the courts ruled on.

Many amendments were introduced and many amendments are before the House to try to correct that basic problem. The only right and proper answer is for the government to take the 15 weeks that adoptive parents now enjoy and to ensure that the same benefit is enjoyed by natural parents.

Everything else the House sees before it, including the minister's amendment, are attempts to circumvent and not address the fundamental problem. The benefits should be the same for both and they should not be less than what the adoptive parents now enjoy. Any other amendment requiring certification, any other amendment proposing special adoptive leave are all efforts to

try to persuade the government, if it cannot go all the way, to at least go part way. It is not good enough.

In the bill, as amended by the minister's motion, adoptive parents are being robbed of what they now enjoy. Natural parents are not being provided that to which the courts have determined they are entitled.

The other inequity addressed by these amendments is the qualifying period for unemployment insurance. Can anybody give me a logical reason why a woman who becomes unemployed by virtue of a pregnancy and therefore unable to earn income should have a different qualifying period than any other worker in this society? Why should a woman in an area of high unemployment not be able to qualify, with the same number of weeks as any other worker who needs income replacement, when she has an interruption of earnings?

The waiting period is another problem that is addressed by these amendments. Again, the waiting period is a disincentive to use benefits to which the family is entitled. It is an economic hardship which makes it easier for middle or high income families to take advantage of these benefits under the Unemployment Insurance Act than for low income families. Low income families simply cannot afford two weeks without income so that they can take advantage, for example, of parental leave benefits.

The argument has already been well made on the maximum period of benefits and I do not propose to make it again except to restate that improvements in benefits are not improvements unless you have every ability to take full advantage of, and to fully utilize those benefits for the purpose for which they are intended. An artificial cap of 30 weeks does not allow that to happen.

Finally I would like to say that the other equity provision that the bill addresses is to allow those over 65 to qualify for unemployment insurance. This again is a change imposed on the government by the courts that determined that discrimination on the basis of age is not allowed under the Charter and does occur under the existing act.

The government has failed to take advantage of this opportunity to correct a problem with legislation that was brought to our attention over and over again during the hearings. That problem is the discriminatory way in which pension income is treated. Persons with pension income have that income treated as earned income for purposes of unemployment insurance. If they have a pension, they cannot qualify even though they are contributing, are available for employment and are intending to remain as contributors to the plan. That is not right. That is not just. In fact, we heard today in this House of a case of people being deprived of benefits that they were entitled to because they were misinformed on this provision of the act.

It is especially unjust when the same pension income is not treated as earned income for purposes of turning it into a pension plan or an RRSP.

I would like to conclude by simply saying that the government had and still has the opportunity with this bill to truly reform the unemployment insurance scheme, to go back to the all-party committee that reported to the House last year and to review again the changes that it proposed to the system, to come up with a scheme that is fair, equitable and recognizes the extent to which the government is responsible for unemployment in this country through various fiscal measures, and that it should continue to assume financial responsibility for unemployment in the regions of this country and for the poorest of the unemployed.

• (1600)

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise today to speak to this bill which unfortunately is before the House at this time. There are so many areas on which one could focus, but I propose to focus on this bill from a general point of view and in particular from the point of view of its effect on Saskatchewan.

This is a bill that hits the province of Saskatchewan and my particular community, the city of Moose Jaw and the area surrounding Moose Jaw in my riding, at a particularly bad time. Moose Jaw, like other communities in the province of Saskatchewan, is suffering through some bad times. Agriculture for the last few years has been very poor and agriculture has a very direct impact on the economy of the province of Saskatchewan. As well, we have a number of small businesses that are

closing, not only in Moose Jaw but throughout the province. We have workers who are being laid off.

This is a bill that the province does not need at this time. The policies of the provincial government, the policies of Premier Grant Devine, have added to the problems that exist in the province of Saskatchewan. I would remind you that it was Premier Devine back in 1982 who inherited a province from a New Democratic government, a province that was viable and vibrant and in the black, and indicated that you could completely mismanage the province of Saskatchewan and still break even. How wrong he was. Today, the province of Saskatchewan has the biggest deficit that the province has had in the history of its existence. Certainly the policies of this government have not helped the situation either.

High interest rates have had a disastrous effect on Saskatchewan. This government talks of the deficit and it knows full well that by lowering interest rates one percentage point it could save $1.5 billion a year. But in the province of Saskatchewan small businesses are suffering because of high interest rates and consumers are suffering because of high interest rates. Consumers are less willing to invest their money in consumer goods, especially consumer goods of any significant value, because of the high interest rates. Small business people suffer as well because they do not invest or are more hesitant to invest because of the high interest policy, and this is at a time when many businesses are struggling to simply survive.

The cuts in VIA Rail that are going to be taking effect in January of next year are going to affect the city of Moose Jaw to the tune of $1 million a year. One million dollars out of the economy of a city of some 36,000 people is a lot of money.

The government is further going to inflict harm on the economy of Saskatchewan and the economy of Moose Jaw by the goods and services tax which is going to further hit seniors, small business people, consumers, and workers in the riding and throughout this country. It is one more item that the people of my riding do not need.

The city of Regina recently conducted a study that indicated that fully one-third of people living in Regina are living below the poverty line. This is in a province that was a have province in 1982. It is now a have not province, and it is going down all the time.

This is a government that introduces changes to the Unemployment Insurance Act, changes that are going to make unemployment insurance more difficult to receive and, when you do receive these benefits they are going to be at a reduced rate. In the last four years the province has lost 50,000 people; 50,000 people have left the province of Saskatchewan since 1985. As a net loss half those people, or proportionately the highest percentage of those people, has been between the ages of 18 and 24.

The future of our province is leaving. They are leaving because the employment situation is poor and they are waiting for governments, either federally or provincially, to put some investment into that province, to provide some opportunities for that province. Certainly this unemployment insurance bill weighs negatively upon that.

The unemployment bill further affects small businesses by forcing them to pay higher premiums, which is just one more item for many businesses that are struggling to survive. I remind this House that small business creates more jobs in this country than any other sector of our economy.

The city council of the city of Moose Jaw has been so concerned about this bill that it recently passed a motion which it has forwarded to the government. I think it is worth while reminding the House of that motion in which council voiced its opposition to the changes in the Unemployment Insurance Act.

It has specifically pointed out, first, that changes which reduce the eligibility requirements will restrict low income, seasonal workers from obtaining earlier benefits. Second, it is opposed to changes which increase premium costs for employees and employers.

The city council of the city of Moose Jaw does not pass such motions very lightly, but it represents the unified force that exists against this bill in the city of Moose Jaw and throughout the province of Saskatchewan.

In Moose Jaw housing starts have been drastically cut. Sales of houses are way down. Businesses are suffering and at the same time this government has indicated that the attitude toward regional program development has to be changed, that it has to be bottom line economics. This is a country that was built on regional development, that relies on regional development. Certainly the regions of this country deserve better. They deserve a

better attitude from this government than they are getting.

I find it somewhat ironic that my colleagues to the right themselves have been decrying this bill. There is not a single principle introduced in this Conservative legislation which was not pioneered under Liberal legislation.

The Liberals were the first people to take money out of benefits for training, and they even shifted the cost of the national employment service to premiums instead of government funding. The Liberals have been complaining about the way people are being treated with respect to voluntary quits, but it was the Liberals who first doubled the disqualification for those people back in 1976. As well, the Liberals complain about increased requirements to obtain benefits and about reduced weeks of coverage, but it was the Liberals who took both of these steps first in the 1970s. This government is simply completing the task which was commenced under the Liberal government.

We in this party are opposed to this bill. We are opposed to this bill because we like to see Canadians reach their full potential. We like Canadians to have the opportunity to reach their full potential. We like small business people to have the opportunity to invest and to prosper and grow. We also like people to have the opportunity to work in regions where they want to work and to be able to remain in places like Saskatchewan and Moose Jaw in particular, and not be forced to leave the province at the rate they have been leaving. It is an exodus from the province that is unprecedented, and it is going to have very disastrous effects on the future of our province.

We are opposed to this bill because it is not taking the direction in which our society should be heading. Instead of penalizing Canadians who through no fault of their own are unemployed, instead of forcing small business and employers and employees to pay more at a time when they are struggling to survive, we should be putting our effort into developing and maintaining viable regional development programs. Instead of its continuous attack on average Canadians this government should be allowing Canadians to reach their full potential.

We would urge that this bill be defeated.

• (1610)

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I want to deal particularly with amendment No. 6 as listed in *Votes and Proceedings*, because several members have dealt with this matter of adoptive benefits. Indeed, we had several briefs that addressed this matter when the legislative committee was travelling, and the minister with this amendment is endeavouring to answer the requests of the various people who have appeared before the committee on it.

On behalf of the Minister of Employment and Immigration I am pleased to discuss this amendment to clause 9 of Bill C–21. It provides for an additional five weeks of parental benefits, fifteen weeks rather than ten, in cases where a child six months of age or older enters the home for the first time. To be eligible for this added benefit the claimant will have to submit a certificate from a medical practitioner or the agency which places the child with the parents. This certificate will confirm that the child suffers from a physical, psychological or emotional condition requiring an additional period of parental care.

This amendment addresses the special circumstances parents face when an infant has been institutionalized or otherwise prevented from going home for an extended period after birth. It will also be relevant in adoption cases where the children are six months of age or older. It is estimated that this covers approximately 90 per cent of the adoptions in Canada. When a child six months of age or older is entering a home for the first time, regardless of the reasons, it makes sense that a parent needs an extended period of time to welcome that child, establish daily routines, and develop a secure parent–child relationship.

This amendment is being introduced in response to representations that were made to the legislative committee during its study of the bill by those concerned about the interests of children and parents. Without this amendment adoptive parents would have seen a decrease in their benefits. At the time this seemed to be an unavoidable although not completely satisfactory approach to the government. What had been driving that provision was the need to treat natural and adoptive parents alike, in order to ensure conformity with the equality provisions of the Charter of Rights and Freedoms.

The minister is very pleased that through the work of the members of the legislative committee on all sides and a number of groups which appeared before them this amendment is possible.

The government is committed to ensuring that the UI program is in sync with modern reality and recognizes the challenges parents face in combining family and work related responsibilities. This amendment, along with other provisions in Bill C-21 for maternity, parental and the combining of special benefits, will go a long way toward acknowledging current family and work situations.

I am particularly pleased to see this amendment go forward. I commend members of groups who appeared before us for the dedicated way in which they try to help children who have some disability. I was really impressed with the testimony they gave us and came to understand that it takes a little longer for a child who has a disability to become a part of a family of persons whom he or she may not have seen before.

I want to make a few other comments on the legislation, but before I doing so I would like to say that we heard more than 200 briefs, and many of them several times. I do not know how we are going to deal with this matter in the future. Perhaps the committee, in its wisdom, will decide that it is going to hear one national group give a brief. We had as many as 70 groups repeat almost verbatim the same brief over and over and over again.

Mr. Fisher: Let the people speak.

Mr. Kempling: I do not know whether people consider that productive or not.

Mr. Fisher: Yes.

Mr. Kempling: But, of course, when you are doing statistics it makes it appear to be very important.

Mr. Fisher: Very embarrassing for you.

Mr. Kempling: You will have your chance to speak whenever you want to get up on your feet.

Some Hon. Members: Oh, oh!

Mr. Kempling: Mr. Speaker, we had many people appear before the committee. Many of their remarks will be featured in this debate by others. We had a witness in Toronto who spoke of the constitutionality of the bill and gave us a long and very learned dissertation on how unemployment insurance became a federal responsibility through constitutional change.

By the same token, the person who made this presentation indicated that she thought perhaps this bill may not be constitutional. But when she was asked if she intended to pursue that point, whether she intended to mount a court challenge to the government on that, she said: "Well, I am not sure whether I want to proceed or not". Others who had her view brought to their attention were not that positive either.

The fact is the government has a legal opinion on the bill. It has been told by the Department of Justice that the bill is legal in all senses. What the whole matter seems to revolve around is what we mean by benefits.

Do we just mean dollars and cents by benefits, or do benefits mean training? Can they mean training? The major point of the opinion that the government received was that benefits can be more than money. They can in fact be training. If that training is going to enhance the ability of the individual to seek and secure employment in the future, then the UI funds may be used for training.

We have discussed the matter across the country with industry groups and small business groups. More than 50 per cent of small business groups say their greatest difficulty is in getting trained people to work in their businesses. We talked to people in industry who said that those who have high tech skills and saleable skills in the future will be the ones they will be employing.

Our attempt through this bill is to broaden the ability of our labour force to react to the demand that will be put on it by industry in the future to produce its products.

We have heard many comments made about mobility. It has been said that perhaps we should not be training these people to gain another skill because they may move away from the city in which they are presently living and seek employment in some other part of the country. For some reason everybody picks on Toronto. I do not know why that is, but I guess it is because unemployment is low in Toronto and what is loosely called the Golden Horseshoe.

The fact is that that is the history of Canada. People do not stay in one place for the rest of their lives. I was born in Grimsby and remember moving to Kitchener, then to

Oshawa, then to Toronto, and then to Dundas because that is where the work was.

Some Hon. Members: The Golden Horseshoe!

Mr. Kempling: The Golden Horseshoe; well you've got me there, guys.

• (1620)

If you look at the development of western Canada you will see that people came not from the west to the east but from the east to the west. Read our history. You will see that the success of the country has been in the mobility of people, people taking advantage of an opportunity that they see in another part of the country. That is what made this country what it is today, and that is what will drive it into the future.

I do not believe it should be a responsibility of the government to find an unemployed person in a village which is loosely referred to as a one industry village and keep that person in money until some other industry comes along and employs him or her. There has to be some initiative on the part of the individual to go out and seek employment. I cannot believe there is not a motivational change in an individual who let us say is married, has a job, has a car, has a house, has a mortgage, has some children, and becomes unemployed. Is he just going to sit back and say: "I can't do anything unless the government finds me a job. Woe is me. We will lose the car, we will lose the house, and I guess we will all have to go down to the soup kitchen the hon. member for Notre-Dame-de-Grâce refers to".

I do not think that is the way it operates in this country. I think that retraining people and putting them into jobs that will be available or are available today—and we have lots of jobs available that cannot be filled—is the wave of the future, and that is the purpose of Bill C-21.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I am very pleased to rise in the House today to debate Bill C-21. As we have already heard there is great effort needed before the proposed legislation will be acceptable to all Canadians.

Before I get to specifics of the amendments proposed by my colleagues, allow me first to touch on unemployment insurance and welfare. These two safety net programs are very closely linked. Unfortunately, in the attempts to reform unemployment insurance, the government will simply transfer part of the load on to an already overburdened welfare system. Let me explain.

The government's proposed changes make it more difficult for Canadian workers to collect unemployment insurance and shorten the benefit period they are entitled to. Obviously this will result in less people on unemployment insurance and more people on welfare.

For example, of the 83,000 people who are unemployed in Manitoba right now, 4,300 will have to go on welfare because they cannot qualify for benefits under the new eligibility rules. Another 24,000 will have their benefits reduced. In Toronto, as another example, metro taxpayers will have to pay an extra $2 million per year because the change will throw 4,500 people off benefits and on to the municipal welfare rolls.

In my own region of Ottawa-Carleton the regional government has predicted that it will be handling somewhere between 540 and 820 more general welfare assistance cases each month as a result of the proposed changes. At an estimated $550 per case, the increased cost to the region could be as high as $5.4 million per year.

Part of the proposed legislation will simply push many of the unemployed out of one safety net and into another. When we stop and think about the fact that in the Ottawa-Carleton region 67 per cent of all those on welfare are between the ages of 18 and 37, we can see that the second safety net is seriously flawed as well.

These Canadians need our help. It is my belief that something drastic must be done to get these people back to work. You cannot amend UI without improvement to the entire social welfare system.

Today I would like to concentrate on the proposed amendments to Bill C-21, in particular Motion Nos. 7 and 10. These motions have been put forward to correct a serious flaw in the government proposed legislation by re-establishing the 15-week benefit period for all those taking parental leave. This is a matter which is of great importance to many people in my constituency and throughout Canada.

If Bill C–21 is passed as it stands now, biological parents will be entitled to up to 25 weeks of combined maternity and parental benefits to provide care for their new child. Adoptive parents, on the other hand, will be limited to a maximum of 10 weeks to care for a new child. Adoptive parents will have lost five weeks from their previous fifteen weeks entitlement.

It is common knowledge that more and more biological parents are using their combined maternity and parental leave benefits very late in their pregnancy. The simple explanation for this is that they need and want to devote as much time as possible to caring for their baby after its birth. Yet, adoptive parents are not entitled to these maternity benefits and will, on top of that, be losing five weeks of parental leave. The loss of those five weeks is extremely important to any parent, biological or not. In my opinion and in the opinion of adoptive parents across our country this loss is unacceptable.

When we stop and think about it, Bill C–21 means that we will have very different maximum periods of benefits despite the fact that adoptive and biological working parents pay the same premiums for UI benefits. It is easy to argue that adoptive parents do not have the same pre–natal and post–natal needs of biological parents, but this is not to say that they do not have special and very real needs of their own.

In fact, the existing adoption leave benefit was put in place in 1983 to allow adoptive mothers to claim unemployment insurance benefits similar to natural birth mothers. The government of the day recognized that parental and maternity leave was not solely to allow the biological mother a chance to physically recover from pregnancy and birth; the legislation acknowledged the need for special worker benefits to care for a new child.

It is ironic that the member who is now the hon. Minister of Justice stated at that time, and I quote from *Hansard* of July 2, 1983:

> Parents who adopt children face the same physical, mental, social and economic adjustments as natural parents. They often do not have advance notice of the date of adoption. I am pleased the government has brought in legislation to correct this discrimination.

Yet it is his government today which is putting forward legislation that will reintroduce the discrimination against adoptive parents.

[*Translation*]

Currently, adoptive parents are entitled to a maximum 15 weeks of benefits to take care of their child. Bill C–21 would limit this period to 10 weeks. The lost of these five additional weeks is a very serious matter for any parent, biological or otherwise. Mr. Speaker, this period should not be changed.

There are those who maintain that adoptive parents don't need maternity leave and benefits. That is not always the case. Everybody knows that more and more biological mothers combine their maternity and parental leave by going on maternity leave at a very late stage of their pregnancy. The reason is quite simple: They prefer to spend as much time as possible with their baby after its birth.

Adoptive parents have the same needs and requirements as biological parents. However, our present legislation prevents them from meeting those needs as natural parents do, because of the resulting loss of income. Ten weeks is not enough to establish a bond with a child that is practically a stranger. Experts in this area are well aware of the problems. Child placement services usually require one of the adoptive parents to stay home for at least six months after adoption. Why can't the government acknowledge this need as well?

• (1630)

Furthermore, the aura of uncertainty which surrounds most adoptions and the timing as well give prospective parents very little time to prepare for this event.

There is a tendency to believe that most adoptions involve newborn infants. That is certainly not always the case. Usually, adoptive parents do not know the age, sex, mental or physical abilities, genetic antecedents and sometimes even the race of the child that will be entrusted to them. Tremendous adjustments must therefore be made by adoptive parents who have to get to know their child after the adoption comes through. The uncertainty does not disappear once the child is placed in a home. Indeed, parents run the very real risk of losing their child if the natural mother changes her mind. In Quebec and Nova Scotia, for example, a natural mother has six months to reclaim her child. Of course, this possibility of losing custody of the child creates a great deal of tension for the adoptive parents. Biological

parents, however, do not have to worry about such an eventuality.

Given the short benefit period allowed adoptive parents under Bill C–21, we must conclude that the Government is totally unaware of the many needs of adoptive parents or, even worse, that it has simply chosen to ignore them.

[*English*]

With Bill C–21 the government also implies that the nurturing needs of an adopted child are not as great as those of a child living with its natural parent. In fact many adopted children require more time for bonding to be established. There are many reasons for this but I will discuss only a few. I can see your hand waving, Mr. Speaker, so I will move on.

Adoptive parents must be social workers, psychologists and parents all at the same time and at the very beginning of their relationship with their child.

If Bill C–21 passes into legislation unamended, the effect will be to discriminate between adopted and biological parents as well as between adopted children and biological children. Obviously this will have a major social and economic impact on adopted families and our communities. The legislation as it stands is regressive and discriminatory. I can only hope that the government will recognize this fact before it is too late and support the amendment as proposed in Motions Nos. 7 and 10.

The Acting Speaker (Mr. Paproski): Before I recognize the hon. member for Prince Albert—Churchill River, I would like to recognize the parliamentary secretary on a point of order.

* * *

POINT OF ORDER

AUTHORIZATION TO TRAVEL—STANDING COMMITTEES

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I apologize for interrupting the member, but there have been consultations among the three parties and I have a couple of travel motions that we would like to put before the House. The first motion is:

That the Standing Committee on Environment be authorized to travel to Washington, D.C. on October 23–25, 1989, for the purpose of discussions with United States congressmen on acid rain, and that the necessary staff do accompany the committee.

The second motion is:

That the Standing Committee on National Defence and Veterans Affairs be authorized to travel to Halifax, Nova Scotia from October 22 to October 27, 1989 and to Victoria and Comox, British Columbia from October 30 to November 2, 1989 in relation to its study on Canada's maritime sovereignty and security and that the necessary staff do accompany the committee.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motions. Is it the pleasure of the House to adopt the motions?

Some Hon. Members: Agreed.

Motions agreed to.

The Acting Speaker (Mr. Paproski): The hon. parliamentary secretary on a further point of order.

* * *

BUSINESS OF THE HOUSE

Mr. Cooper: Mr. Speaker, it is my understanding that the private member who was to present his bill at five o'clock is unable to do so. I understand also, because of us not knowing of that earlier, that we would need the consent of the House to extend government time through to six o'clock.

In light of that I would therefore ask we can obtain the consent of the House to continue this debate to give members a chance to participate on an issue which all of us see as important and to give us an extra hour of debate during the Private Members' hour from five o'clock to six o'clock.

Mr. Murphy: We do not agree to give up private members' time to the government to change the Unemployment Insurance Act. As you know, Mr. Speaker, we are against this legislation. We think it is horrific. We think it is going to be devastating to regions of Canada, therefore we do not give our consent.

The Acting Speaker (Mr. Paproski): There is no consent.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, as reported (with amendments) from a legislative committee; and Motions Nos. 4, 5, 6, 7, 8, 10, 11, 12, 13, and 14.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I am pleased to be able to rise in this House and speak on this motion. It is discouraging to be up here again fighting another rear-guard action as this government attempts to pick apart the safety net that Canadians have come to count on in this country.

Unemployment insurance was introduced in July of 1941. It was a direct result of decades of pressure from our political predecessors, the CCF, the farm labour parties, and so on through the 1920s and 1930s that saw the devastation which forced unemployment and cost individuals and communities. In the atmosphere of needing all the wartime production, all the labour force that the government could muster, unemployment insurance was brought in, in 1941, and has been an important part of our social safety net ever since.

There were two principles that guided the evolution of the unemployment insurance program through the years. First, unemployment insurance should alleviate individual hardship caused by unemployment. This was something that a person had by right of citizenship. Second, there was the principle that the effect of unemployment insurance and this particular aspect of our safety net should have equal impact across the country.

In other words, those regions of the country that were hardest hit by unemployment should be recognized in the way the act is administered so that those people would not suffer unduly because of the regions of the country that they lived in.

However what have we seen happen here? What have we seen the millionaire stock brokers from Toronto come in with now in terms of unemployment insurance? We see a gradual shift to a charity model, back to the poor houses. We see food banks.

The hon. member for Mission—Coquitlam listed the number of people seeking help in food banks nowadays. We see people being forced off unemployment insurance through this measure on to welfare, which places a new and undue burden on municipalities and on the provinces. They also have a deficit problem. It does not help to reduce the federal deficit by increasing the provincial and municipal deficits and all the way down to increasing individual deficits, because individuals in this country are as deeply in debt as the government. Shifting it down to individuals, municipalities and provincial governments does not deal with the problem at all.

Another thing that this movement to change the unemployment insurance program is doing is forcing relocation of thousands and thousands of people. It is no accident that unemployment is high in the regions. It is not a fate of nature, the unseen hand, or anything else. It is the very real fiscal and economic policies that this government has brought in.

For example, policies like gutting regional development programs, especially for isolated communities, and making regional development accessible only to the big companies that already have access to all kinds of government programs. It is the result of an interest rate policy that funnels all the money from around the country into the big trading centres like Montreal, Toronto, and Vancouver. It overheats those economies and then gets into a cyclical process whereby interest rates go even higher. Unemployment then rises in the regions of the country and the economic activity that could be expected there cannot happen because of interest rates.

Now we see a very miserly approach. We saw that when the member for Burlington was making his comments with regard to clause 6, the clause that deals with the relative benefits, paternal benefits between adoptive parents and biological parents.

First, it should be pointed out that this would not be here in the first place or that a government member would not be supporting it if it were not forced by the courts. Second, a approach like this that discriminates between different kinds of parents certainly cannot be said to be an equity provision.

When the member says that the provisions here actually cover 90 per cent of the adoptive parents, why then bring a miserly little motion that would discriminate against the other 10 per cent? That does not make any kind of sense at all, at least not unless you are looking at it from the perspective of millionaire's row.

• (1640)

I would like to deal specifically with Motions Nos. 4 and 5 because they deal most directly with the effects on regions such as the region I represent, Prince Albert—Churchill River, a northern constituency with high unemployment, scattered communities, and an underdeveloped economy.

The loss to this region can be figured in several different ways. The government came out with figures that said that the loss to the Prince Alberta—Yorkton UI region would be $4.4 million over the course of a year, each and every year. Global Economics said that the loss would be $11 million. When I checked into why this difference existed I found out that it was because government members were figuring behaviour modification into the equation. They were not taking into account the real numbers and how much people are actually going to lose; they were taking into account $6.6 million worth of behaviour modification in the region of the country I represent.

Whose behaviour is it going to be modifying? I did a little research on this. There are 600 claimants who fall under the clerical category, such as secretaries and office personnel. Those people often cannot move because they have family responsibilities and certainly cannot, as the member for Burlington suggested, move to Toronto, find a secretarial job and pay for the move with the earnings of a clerical job.

They are losing an average of $430 each. That is $258,000 worth of behaviour modification for secretaries and clerical personnel in northern Saskatchewan. Construction workers also have to modify their behaviour: 930 claimants, $613 or $560,000 worth of behaviour modification for construction workers in this constituency. This is totally unacceptable.

The chronic problem with the unemployment insurance program is determining the unemployment rates in regions such as the one I represent. For the La Ronge CEIC office the official unemployment rate is 13 per cent. That is unbelievable. When you check into how these things are figured you can see why it happens because treaty Indians are not included in this. The surveys are done by telephone and only 20 or 30 per cent of the people have telephones and are inaccessible to any Statistics Canada surveyors. The actual unemployment rate in that area is in fact 25 per cent to 30 per cent, which would put them well over the cut-off line at 15 per cent. However, because of the way the figures are arrived at, that region will not be eligible for benefits that are its right.

Second, I hoped that when the whole Unemployment Insurance Act was being reviewed the whole problem of seasonal unemployment and the type of economy that exists in frontier areas of the country would be taken into account.

When I did research for this particular speech I found that although there are about 400 commercial fishermen in northern Saskatchewan, only 7 of them are registered with the CEIC although there is a commercial fishing benefit program. The reason is that these people not only fish but they do some line cutting. Their other big source of employment is firefighting. What has happened under that provision, as has been pointed out in the House, is that firefighters across the country are paid on a casual basis because it takes so long to get them on the government payroll, and it is easier to get the money by putting them on casual.

Consequently people are working many weeks through the summer. In many cases they work sufficient weeks to collect unemployment insurance, but because they are paid on a casual basis they are not eligible for unemployment insurance. Therefore there is a whole pattern of employment where people do some cutting line fishing, firefighting, and so on. Those people are working very hard.

There is an illusion that people who need unemployment insurance are lazy or not self-motivated. That is unfair. I invite members to go to that part of the country and see how hard people work and under what conditions they live. To penalize them and not deal with the problems in the UI system which affect them very directly makes a mockery of any kind of claim that the government might make in positively reforming the unemployment insurance system through this legislation.

The other argument that the government makes is that this new system is going to cost employers and employees. The government is withdrawing more and perhaps it will force some people to move. However, the government claims that the big benefit will be an increased amount of training, that there will be more money available for training as a result of this legislation.

Many Canadians appearing before the committee made the point that certainly training should be an investment that falls on the country as a whole and not an investment that falls on the backs of the unemployed. Even given that particular criticism there is no guarantee at all in this legislation, nor in any of the comments that I have heard made, that that training will accrue to the regions of the country where the biggest losses are being experienced.

There will be a real loss in our region of the country of $11 million. I know $11 million would buy a lot of training. I would be very surprised, in fact I will be watching very closely to see what portion of that $11 million gets back to that part of the country. The reason I am concerned is that I know that the government promised there would be the finest adjustment programs in the world when it came to free trade; people who lost their jobs would be looked after. The de Grandpré commission was supposed to recommend that all this would be done. It said existing programs should do it. Well, this is the existing program.

What is going to happen in a region like mine where there is a rapidly growing labour force of people who have never held a job and where there are unemployment rates of 50 per cent, 60 per cent or 70 per cent? I predict that the money for training is not going to go there.

The money for training is going to go again into the metropolitan areas where there are very visible job losses, for example to the GM plant in Scarborough, the Inglis plant in Toronto. Those are the types of priorities that the government is going to be setting for retraining because it is politically expedient to do so. That is where the national media is.

The Globe and Mail will report it and everybody will read here in *Quorum* that the government did wonderful things in retraining, but no one puts in *Quorum* quotes from the La Ronge *Northerner* that says that there are thousands of young students coming out of the school system in northern Saskatchewan who need training and have never had an opportunity to participate.

I strongly support Motions Nos. 4 and 5 which would have the effect of equalizing the benefits that are available to people on the basis of the unemployment rates in their region and would not discriminate against people in our region of the country.

I also wish to strongly register that I am ashamed to be part of a House that would even consider taking such a gigantic step backward in Canadian social policies as this bill represents.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, after my hon. colleague has led us off on such a rhetorical note which makes sense nonetheless, it almost shakes the confidence of those who would want to see this House as a place where we would do things that are instrumental for the well-being of all Canadians and upon which well-being we construct a new future for all of Canada.

It is unfortunate that other members, some in my party, have had occasion to refer to some of the elements of these clauses that are absolutely contrary to that particular view. In clause 9, to which these several motions refer, the government is addressing itself to creating a fundamental attitudinal change among workers in the country.

For those of us who were not quite aware what the rest of the country does see in this particular clause, I would just like to briefly refer to a sentence from a September 11 article published in Vancouver. A member of the business community made a representation before the legislative committee studying Bill C-21.

I know my colleague opposite has an aversion to those who repeat positions given before a legislative committee, even though that repetition drives home points that are most valid. The repetition this time came from a member of the business community who said that Bill C-21 should have as its objective the creation of a mobile pool of jobless workers shifting across the country ready to plug into the needs of industry.

• (1650)

There are those of us who believe in an economic strategy, an industrial strategy for this country, one that takes a look at the resources and the needs of our nation and builds upon them for the benefit of all of its citizens, for the benefit of those people who would like to have work, and to create jobs on behalf of those who think that they can engage their energies and their vigour productively. Those of us who have been looking for that kind of initiative see instead Bill C-21 which does quite the opposite.

In fact because I would not dare to use statistics that the government so casually dismisses as being completely incorrect, erroneous, and unfounded, I will use government statistics in referring to the objectives of Bill C-21, especially in clause 9.

For example, this particular clause through its entrants requirements, restrictions of benefits, and lengthening of qualifying periods will have the net impact of causing 41 per cent of all claimants from Newfoundland to suffer reductions in benefits, 46 per cent of all claimants from P.E.I. to lose benefits, 40 per cent of all the claimants from the province of New Brunswick to lose benefits, and 49 per cent of all claimants from Manitoba will suffer a reduction in benefits.

I do not want to go on to the others because many of them fall into a much lower category, but it is important to keep those figures in mind when we address the objective of this government. If the objective is, as the hon. member opposite suggests, to put people back to work, the attitudinal change to which all other members have made reference suggests that the onus is going to be on the worker to locate the job. It will not be the result of any government program, any government strategy or great initiative, or any development of the market-place that generates jobs to which all workers will naturally gravitate. No. In fact I read those specific figures because they have a startling resemblance and relationship to other figures.

For example, using the labour market survey published recently and used as a reference by the government, it does appear that from the fourth quarter of 1988 to the end of the second quarter in 1989 that we are looking at a bill which says: "let's put people back to work by making them look for a job; make them accept the jobs that are there". The natural question then is: Where are these jobs?

It appears that according to the labour market survey they certainly do not exist in Quebec because in those three quarters there was a net drop of 11,000 jobs. There was no growth in Prince Edward Island. There has been no growth in jobs in Prince Edward Island since the fourth quarter of 1987. There was no growth in jobs in New Brunswick. There was no growth in jobs in Manitoba. There was again a loss of 5,000 jobs in Saskatchewan.

My hon. colleague from Saskatchewan noted as well that there was a net emigration of 2,000 people per month. We are exporting the unemployment from regions less advantaged to other areas. This particular bill would suggest that the government is embarking on a grand strategy of job creation, a grand strategy of employment, a great plan to create a new wealth for all of Canada. It attacks those people in those regions where the results have been the contrary to expectations of employment growth.

That does not make sense. It cannot possibly excite the confidence of this House when we look at those government figures. They are not invented by others who would like to look at the gaping holes in this particular legislation. What comes through all those figures is an unfortunate description, and I use the adjective rather cautiously but I do it deliberately. There seems to be a petty viciousness. A less kind soul than myself might have looked at those provinces that I recited from these lists and said: "I think I see a political connection." None of those provinces returned a Conservative majority. There is nothing for the government to lose there politically. If the solutions are political to the problems of Canada, if the solutions are economic with political involvement then the government has nothing to worry about.

Those people have already told them what they think of the government's programs over the last four years. After five years of alleged unprecedented growth, I can stand here before this House and read those kinds of statistics. No, that sort of pettiness is unfortunately reflected in Clause 9 as well when we address what the government is doing in terms of looking for places where it can find funds to save and deposit to reduce its deficit. One of those has to do with people who perform not only a humane service but a social service, a national service.

They take upon themselves a personal responsibility, a great responsibility in my view, one that perhaps people like myself and many others throughout this country might not be able to meet were we put to the test. What they do is to take many young boys and girls, newborn, and provide them with a home. Because they do that, under this particular clause, we are penalizing them. We are penalizing those parents who take that step forward, those parents who want to adopt, who want to provide a home for children, all children, who they can call their own. They want to provide them with an environment where they can grow into mature adults, functional and productive citizens of this nation. We want to give them that opportunity so treat us like all parents.

An adoptive parent is a parent, period. It is unfortunate that before this House some of my colleagues have had to resort to giving a description of parenthood and to giving a description designed to encourage the government to recognize that parenthood is parenthood notwithstanding natural birth or adoptive situations and circumstances. That is a most unfortunate situation.

What we are doing with this particular clause is focusing on adoptive parents. We are going to reduce benefits. We are going to reduce the opportunities that they might normally enjoy under the former act. We are going to reduce their benefits in order to apply them to deficit reduction. It is an additional tax, an onus that we impose upon people for making the decision to do something that is socially worthwhile as well as personally satisfying.

We cannot through this Parliament, through this government, penalize those who have initiative that benefits all of society. Are we talking about a great amount? No, we are not. Several of the organizations and several individuals who appeared before us, and dozens of individuals who have written to me personally and to other members of my caucus have pointed out that we are talking essentially about a trite amount. When viewed in the global sum of $13 billion last year, rounded figures, for UI, we are talking about figures very, very close to $300,000 per annum for adoptive leave.

When we are talking about putting those kinds of parents through that kind of duress, we are talking about a particular principle. That principle says that the parents shall not suffer but the children who are going to be children of adoptive families shall suffer. We have no right. We have an absolute responsibility to make sure that all Canadians are viewed similarly.

The Acting Speaker (Mr. Paproski): It being 5 o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

In accordance with Standing Order 94 notice was published for consideration today of the motion standing in the name of the Hon. Member for Brant. Since the member is not present to move his motion at this time the motion will, in accordance with Standing Order 42, be dropped from the Order Paper.

SITTING SUSPENDED

The Acting Speaker (Mr. Paproski): There being nothing more before the House, the sitting will be suspended until 6 p.m. Is that agreed?

Some Hon. Members: Agreed.

The sitting of the House was suspended at 5 p.m.

SITTING RESUMED

The House resumed at 6 p.m.

* * *

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed from Friday, October 13, consideration of Bill C-20, an act to amend the Excise Tax Act and the Excise Act, as reported (without amendment) from a legislative committee.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 45(6) the House will now proceed to the taking of deferred divisions at report stage of Bill C-20, an Act to amend the Excise Tax Act and the Excise Act.

The first question is on Motion No. 1. Ms. McLaughlin moved:

> That Bill C-20 be amended in Clause 1 by adding immediately after line 16 at page 1 the following
>
> "except for northern residents as defined in the Income Tax Act."

Call in the members.

The House divided on the motion, which was negatived on the following division:

Government Orders

(Division No. 63)

YEAS

Members

Allmand
Angus
Assad
Bellemare
Berger
Boudria
Butland
Comuzzi
Ferguson
Fisher
Funk
Gauthier
Hopkins
Kaplan
Keyes
Kindy
Langan (Mission—Coquitlam)
Laporte
Lee
Manley
Martin (Lasalle—Émard)
Mifflin
Murphy
Pagtakhan
Pickard
Robichaud
Samson
Skelly (North Island—Powell River)
Stupich
Vanclief
Wappel
Young (Gloucester)

Althouse
Arseneault
Axworthy (Winnipeg South Centre)
Benjamin
Blaikie
Brewin
Catterall
Crawford
Finestone
Flis
Gardiner
Harvard
Hunter
Karpoff
Kilger (Stormont—Dundas)
Kristiansen
Lapierre
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
Marleau
McGuire
Milliken
Nystrom
Parent
Proud
Rocheleau
Simmons
Stewart
Taylor
Volpe
Whittaker
Young (Beaches—Woodbine)—64

NAYS

Members

Anderson
Atkinson
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Bourgault
Browes
Campbell (Vancouver Centre)
Casey
Charest
Clark (Brandon—Souris)
Cooper
Corbett
Couture
DeBlois
Della Noce
Dick
Domm
Duplessis
Epp
Feltham
Fontaine
Friesen
Greene
Harvey (Chicoutimi)
Hicks
Horner
Hudon
James
Kempling
Landry
Larrivée
Leblanc (Longueuil)

Andre
Attewell
Bernier
Bjornson
Blais
Bosley
Bouchard (Lac-Saint-Jean)
Brightwell
Cadieux
Cardiff
Chadwick
Chartrand
Clifford
Corbeil
Côté
Crosby (Halifax West)
de Cotret
Desjardins
Dobbie
Dorin
Edwards
Fee
Ferland
Fretz
Gérin
Guilbault
Hawkes
Holtmann
Horning
Jacques
Jourdenais
Kilgour (Edmonton Southeast)
Langlois
Layton
Lewis

Littlechild
Lopez
Malone
Mazankowski
McDermid
McKnight
Monteith
Nicholson
O'Kurley
Pronovost
Reid
Ricard
Robitaille
St-Julien
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Tétreault
Thorkelson
Tremblay (Lotbinière)
Vankoughnet
Vien
Weiner
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—124

Loiselle
MacDougall (Timiskaming)
Mayer
McCreath
McDougall (St. Paul's)
Mitges
Moore
Nowlan
Plourde
Redway
Reimer
Richardson
Roy-Arcelin
Schneider
Shields
Sobeski
Sparrow
Tardif
Thompson
Tremblay (Rosemont)
Turner (Halton—Peel)
Vézina
Vincent
Wenman
Wilbee
Winegard

Mr. Gauthier: Mr. Speaker, I think that the prior decision of the Chair concerning Bill C-20 was that if the vote on Motion No. 1 was negatived we had to proceed to vote on Motion No. 2. In the interest of saving time, and after having consultations with my colleagues from all sides of the House, I would like to propose that the results of the vote on Motion No. 1 apply to all subsequent motions to the bill, except that on the final vote, that is the concurrence vote, that the reverse be taken into account. The government would not want to vote with us and I would give it its way on that one.

The Acting Speaker (Mr. Paproski): Is it so agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): I declare the motion lost. The vote on Motion No. 1 in the name of the hon. member for Yukon will be applied to Motions Nos. 4, 10 and 17. The result of the vote on Motion No. 2 in the name of the hon. member for Calgary Northeast—

Mr. Kindy: Mr. Speaker, I rise on a point of order. There is no unanimous consent.

Mr. Angus: Mr. Speaker, I rise on a point of order that may assist the House. I am wondering if the member who just spoke would be agreeable to allowing the preceding vote to apply to all of the votes on the motions and deal with the question of the bill itself as a separate item. If that is acceptable that may save the House some time.

Mr. Kindy: It is agreeable, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The vote on Motion No. 1 will apply to all subsequent motions.

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 2. Mr. Kindy moved:

Motion No. 2

That Bill C–20 be amended by deleting Clause 1.

The House divided on the motion, which was negatived on the following division.

(Division No. 64)

YEAS

Members

Allmand	Althouse
Angus	Arseneault
Assad	Axworthy (Winnipeg South Centre)
Bellemare	Benjamin
Berger	Blaikie
Boudria	Brewin
Butland	Catterall
Comuzzi	Crawford
Ferguson	Finestone
Fisher	Flis
Funk	Gardiner
Gauthier	Harvard
Hopkins	Hunter
Kaplan	Karpoff
Keyes	Kilger (Stormont—Dundas)
Kindy	Kristiansen
Langan (Mission—Coquitlam)	Lapierre
Laporte	LeBlanc (Cape Breton Highlands—Canso)
Lee	MacAulay
Manley	Marleau
Martin (Lasalle—Émard)	McGuire
Mifflin	Milliken
Murphy	Nystrom
Pagtakhan	Parent
Pickard	Proud
Robichaud	Rocheleau
Samson	Simmons
Skelly (North Island—Powell River)	Stewart
Stupich	Taylor
Vanclief	Volpe
Wappel	Whittaker
Young (Gloucester)	Young (Beaches—Woodbine)—64

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Belsher	Bernier
Bertrand	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bouchard (Roberval)	Bouchard (Lac-Saint-Jean)
Bourgault	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Charest	Chartrand
Clark (Brandon—Souris)	Clifford
Cooper	Corbeil
Corbett	Côté
Couture	Crosby (Halifax West)
DeBlois	de Cotret
Della Noce	Desjardins
Dick	Dobbie
Domm	Dorin
Duplessis	Edwards
Epp	Fee
Feltham	Ferland
Fontaine	Fretz
Friesen	Gérin
Greene	Guilbault
Harvey (Chicoutimi)	Hawkes
Hicks	Holtmann
Horner	Horning
Hudon	Jacques
James	Jourdenais
Kempling	Kilgour (Edmonton Southeast)
Landry	Langlois
Larrivée	Layton
Leblanc (Longueuil)	Lewis
Littlechild	Loiselle
Lopez	MacDougall (Timiskaming)
Malone	Mayer
Mazankowski	McCreath
McDermid	McDougall (St. Paul's)
McKnight	Mitges
Monteith	Moore
Nicholson	Nowlan
O'Kurley	Plourde
Pronovost	Redway
Reid	Reimer
Ricard	Richardson
Robitaille	Roy-Arcelin
St-Julien	Schneider
Scott (Victoria—Haliburton)	Shields
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thompson
Thorkelson	Tremblay (Rosemont)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Vankoughnet	Vézina
Vien	Vincent
Weiner	Wenman
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—124	

The Acting Speaker (Mr. Paproski): I declare the motion lost. The next question is on Motion No. 3. Mr. Kindy moved:

Motion No. 3

That Bill C–20 be amended by deleting Clause 2.

The House divided on the motion, which was negatived on the following division.

(Division No. 65)

YEAS

Members

Allmand	Althouse
Angus	Arseneault
Assad	Axworthy (Winnipeg South Centre)
Bellemare	Benjamin
Berger	Blaikie
Boudria	Brewin
Butland	Catterall
Comuzzi	Crawford
Ferguson	Finestone
Fisher	Flis
Funk	Gardiner
Gauthier	Harvard
Hopkins	Hunter
Kaplan	Karpoff
Keyes	Kilger (Stormont—Dundas)
Kindy	Kristiansen
Langan (Mission—Coquitlam)	Lapierre
Laporte	LeBlanc (Cape Breton Highlands—Canso)

Lee
Manley
Martin (Lasalle—Émard)
Mifflin
Murphy
Pagtakhan
Pickard
Robichaud
Samson
Skelly (North Island—Powell River)
Stupich
Vanclief
Wappel
Young (Gloucester)
MacAulay
Marleau
McGuire
Milliken
Nystrom
Parent
Proud
Rocheleau
Simmons
Stewart
Taylor
Volpe
Whittaker
Young (Beaches—Woodbine)—64

NAYS

Members

Anderson
Atkinson
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Bourgault
Browes
Campbell (Vancouver Centre)
Casey
Charest
Clark (Brandon—Souris)
Cooper
Corbett
Couture
DeBlois
Della Noce
Dick
Domm
Duplessis
Epp
Feltham
Fontaine
Friesen
Greene
Harvey (Chicoutimi)
Hicks
Horner
Hudon
James
Kempling
Landry
Larrivée
Leblanc (Longueuil)
Littlechild
Lopez
Malone
Mazankowski
McDermid
McKnight
Monteith
Nicholson
O'Kurley
Pronovost
Reid
Ricard
Robitaille
St-Julien
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Tétreault
Thorkelson
Tremblay (Lotbinière)
Vankoughnet
Vien
Weiner
White
Andre
Attewell
Bernier
Bjornson
Blais
Bosley
Bouchard (Lac-Saint-Jean)
Brightwell
Cadieux
Cardiff
Chadwick
Chartrand
Clifford
Corbeil
Côté
Crosby (Halifax West)
de Cotret
Desjardins
Dobbie
Dorin
Edwards
Fee
Ferland
Fretz
Gérin
Guilbault
Hawkes
Holtmann
Horning
Jacques
Jourdenais
Kilgour (Edmonton Southeast)
Langlois
Layton
Lewis
Loiselle
MacDougall (Timiskaming)
Mayer
McCreath
McDougall (St. Paul's)
Mitges
Moore
Nowlan
Plourde
Redway
Reimer
Richardson
Roy-Arcelin
Schneider
Shields
Sobeski
Sparrow
Tardif
Thompson
Tremblay (Rosemont)
Turner (Halton—Peel)
Vézina
Vincent
Wenman
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—124
Winegard

The Acting Speaker (Mr. Paproski): I declare the motion lost. The next question is on Motion No. 4. Ms. McLaughlin moved:

Motion No. 4

That Bill C-20 be amended in Clause 3 by striking out lines 26 to 30 and lines 37 to 39 at page 2.

The House divided on the motion, which was negatived on the following division.

(Division No. 66)

YEAS

Members

Allmand
Angus
Assad
Bellemare
Berger
Boudria
Butland
Comuzzi
Ferguson
Fisher
Funk
Gauthier
Hopkins
Kaplan
Keyes
Kindy
Langan (Mission—Coquitlam)
Laporte
Lee
Manley
Martin (Lasalle—Émard)
Mifflin
Murphy
Pagtakhan
Pickard
Robichaud
Samson
Skelly (North Island—Powell River)
Stupich
Vanclief
Wappel
Young (Gloucester)
Althouse
Arseneault
Axworthy (Winnipeg South Centre)
Benjamin
Blaikie
Brewin
Catterall
Crawford
Finestone
Flis
Gardiner
Harvard
Hunter
Karpoff
Kilger (Stormont—Dundas)
Kristiansen
Lapierre
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
Marleau
McGuire
Milliken
Nystrom
Parent
Proud
Rocheleau
Simmons
Stewart
Taylor
Volpe
Whittaker
Young (Beaches—Woodbine)—64

NAYS

Members

Anderson
Atkinson
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Bourgault
Browes
Campbell (Vancouver Centre)
Casey
Charest
Clark (Brandon—Souris)
Cooper
Corbett
Couture
DeBlois
Della Noce
Andre
Attewell
Bernier
Bjornson
Blais
Bosley
Bouchard (Lac-Saint-Jean)
Brightwell
Cadieux
Cardiff
Chadwick
Chartrand
Clifford
Corbeil
Côté
Crosby (Halifax West)
de Cotret
Desjardins

Dick
Domm
Duplessis
Epp
Feltham
Fontaine
Friesen
Greene
Harvey (Chicoutimi)
Hicks
Horner
Hudon
James
Kempling
Landry
Larrivée
Leblanc (Longueuil)
Littlechild
Lopez
Malone
Mazankowski
McDermid
McKnight
Monteith
Nicholson
O'Kurley
Pronovost
Reid
Ricard
Robitaille
St-Julien
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Tétreault
Thorkelson
Tremblay (Lotbinière)
Vankoughnet
Vien
Weiner
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—124

Dobbie
Dorin
Edwards
Fee
Ferland
Fretz
Gérin
Guilbault
Hawkes
Holtmann
Horning
Jacques
Jourdenais
Kilgour (Edmonton Southeast)
Langlois
Layton
Lewis
Loiselle
MacDougall (Timiskaming)
Mayer
McCreath
McDougall (St. Paul's)
Mitges
Moore
Nowlan
Plourde
Redway
Reimer
Richardson
Roy-Arcelin
Schneider
Shields
Sobeski
Sparrow
Tardif
Thompson
Tremblay (Rosemont)
Turner (Halton—Peel)
Vézina
Vincent
Wenman
Wilbee
Winegard

The Acting Speaker (Mr. Paproski): I declare the motion lost. The next question is on Motion No. 5. Mr. Kindy moved:

Motion No. 5

That Bill C-20 be amended by deleting Clause 3.

The House divided on the motion, which was negatived on the following division.

(Division No. 67)

YEAS

Members

Allmand
Angus
Assad
Bellemare
Berger
Boudria
Butland
Comuzzi
Ferguson
Fisher
Funk
Gauthier
Hopkins
Kaplan
Keyes
Kindy
Langan (Mission—Coquitlam)
Laporte

Althouse
Arseneault
Axworthy (Winnipeg South Centre)
Benjamin
Blaikie
Brewin
Catterall
Crawford
Finestone
Flis
Gardiner
Harvard
Hunter
Karpoff
Kilger (Stormont—Dundas)
Kristiansen
Lapierre
LeBlanc (Cape Breton Highlands—Canso)
Lee
Manley
Martin (Lasalle—Émard)
Mifflin
Murphy
Pagtakhan
Pickard
Robichaud
Samson
Skelly (North Island—Powell River)
Stupich
Vanclief
Wappel
Young (Gloucester)

MacAulay
Marleau
McGuire
Milliken
Nystrom
Parent
Proud
Rocheleau
Simmons
Stewart
Taylor
Volpe
Whittaker
Young (Beaches—Woodbine)—64

NAYS

Members

Anderson
Atkinson
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Bourgault
Browes
Campbell (Vancouver Centre)
Casey
Charest
Clark (Brandon—Souris)
Cooper
Corbett
Couture
DeBlois
Della Noce
Dick
Domm
Duplessis
Epp
Feltham
Fontaine
Friesen
Greene
Harvey (Chicoutimi)
Hicks
Horner
Hudon
James
Kempling
Landry
Larrivée
Leblanc (Longueuil)
Littlechild
Lopez
Malone
Mazankowski
McDermid
McKnight
Monteith
Nicholson
O'Kurley
Pronovost
Reid
Ricard
Robitaille
St-Julien
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Tétreault
Thorkelson
Tremblay (Lotbinière)
Vankoughnet
Vien
Weiner
White

Andre
Attewell
Bernier
Bjornson
Blais
Bosley
Bouchard (Lac-Saint-Jean)
Brightwell
Cadieux
Cardiff
Chadwick
Chartrand
Clifford
Corbeil
Côté
Crosby (Halifax West)
de Cotret
Desjardins
Dobbie
Dorin
Edwards
Fee
Ferland
Fretz
Gérin
Guilbault
Hawkes
Holtmann
Horning
Jacques
Jourdenais
Kilgour (Edmonton Southeast)
Langlois
Layton
Lewis
Loiselle
MacDougall (Timiskaming)
Mayer
McCreath
McDougall (St. Paul's)
Mitges
Moore
Nowlan
Plourde
Redway
Reimer
Richardson
Roy-Arcelin
Schneider
Shields
Sobeski
Sparrow
Tardif
Thompson
Tremblay (Rosemont)
Turner (Halton—Peel)
Vézina
Vincent
Wenman
Wilbee

Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre) Winegard
Worthy—124

The Acting Speaker (Mr. Paproski): I declare the motion lost. The next question is on Motion No. 10. Ms. McLaughlin moved:

Motion No. 10

That Bill C-20 be amended in Clause 8 by striking out line 10 at page 5 and substituting the following therefor:

"8. Non-bio-degradable laundry detergents."

The House divided on the motion, which was negatived on the following division:

(Division No. 68)

YEAS

Members

Allmand
Angus
Assad
Bellemare
Berger
Boudria
Butland
Comuzzi
Ferguson
Fisher
Funk
Gauthier
Hopkins
Kaplan
Keyes
Kindy
Langan (Mission—Coquitlam)
Laporte
Lee
Manley
Martin (Lasalle—Émard)
Mifflin
Murphy
Pagtakhan
Pickard
Robichaud
Samson
Skelly (North Island—Powell River)
Stupich
Vanclief
Wappel
Young (Gloucester)
Althouse
Arseneault
Axworthy (Winnipeg South Centre)
Benjamin
Blaikie
Brewin
Catterall
Crawford
Finestone
Flis
Gardiner
Harvard
Hunter
Karpoff
Kilger (Stormont—Dundas)
Kristiansen
Lapierre
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
Marleau
McGuire
Milliken
Nystrom
Parent
Proud
Rocheleau
Simmons
Stewart
Taylor
Volpe
Whittaker
Young (Beaches—Woodbine)—64

NAYS

Members

Anderson
Atkinson
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Bourgault
Browes
Campbell (Vancouver Centre)
Casey
Charest
Clark (Brandon—Souris)
Cooper
Corbett
Couture
Andre
Attewell
Bernier
Bjornson
Blais
Bosley
Bouchard (Lac-Saint-Jean)
Brightwell
Cadieux
Cardiff
Chadwick
Chartrand
Clifford
Corbeil
Côté
Crosby (Halifax West)
DeBlois
Della Noce
Dick
Domm
Duplessis
Epp
Feltham
Fontaine
Friesen
Greene
Harvey (Chicoutimi)
Hicks
Horner
Hudon
James
Kempling
Landry
Larrivée
Leblanc (Longueuil)
Littlechild
Lopez
Malone
Mazankowski
McDermid
McKnight
Monteith
Nicholson
O'Kurley
Pronovost
Reid
Ricard
Robitaille
St-Julien
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Tétreault
Thorkelson
Tremblay (Lotbinière)
Vankoughnet
Vien
Weiner
White
de Cotret
Desjardins
Dobbie
Dorin
Edwards
Fee
Ferland
Fretz
Gérin
Guilbault
Hawkes
Holtmann
Horning
Jacques
Jourdenais
Kilgour (Edmonton Southeast)
Langlois
Layton
Lewis
Loiselle
MacDougall (Timiskaming)
Mayer
McCreath
McDougall (St. Paul's)
Mitges
Moore
Nowlan
Plourde
Redway
Reimer
Richardson
Roy-Arcelin
Schneider
Shields
Sobeski
Sparrow
Tardif
Thompson
Tremblay (Rosemont)
Turner (Halton—Peel)
Vézina
Vincent
Wenman
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—124
Winegard

The Acting Speaker (Mr. Paproski): I declare the motion lost. The next question is on Motion No. 11. Mr. Kindy moved:

Motion No. 11

That Bill C-20 be amended by deleting Clause 8.

The House divided on the motion, which was negatived on the following division:

(Division No. 69)

YEAS

Members

Allmand
Angus
Assad
Bellemare
Berger
Boudria
Butland
Comuzzi
Ferguson
Fisher
Funk
Gauthier
Hopkins
Kaplan
Keyes
Kindy
Althouse
Arseneault
Axworthy (Winnipeg South Centre)
Benjamin
Blaikie
Brewin
Catterall
Crawford
Finestone
Flis
Gardiner
Harvard
Hunter
Karpoff
Kilger (Stormont—Dundas)
Kristiansen

Langan (Mission—Coquitlam)
Laporte
Lee
Manley
Martin (Lasalle—Émard)
Mifflin
Murphy
Pagtakhan
Pickard
Robichaud
Samson
Skelly (North Island—Powell River)
Stupich
Vanclief
Wappel
Young (Gloucester)
Lapierre
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
Marleau
McGuire
Milliken
Nystrom
Parent
Proud
Rocheleau
Simmons
Stewart
Taylor
Volpe
Whittaker
Young (Beaches—Woodbine)—64

NAYS

Members

Anderson
Atkinson
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Bourgault
Browes
Campbell (Vancouver Centre)
Casey
Charest
Clark (Brandon—Souris)
Cooper
Corbett
Couture
DeBlois
Della Noce
Dick
Domm
Duplessis
Epp
Feltham
Fontaine
Friesen
Greene
Harvey (Chicoutimi)
Hicks
Horner
Hudon
James
Kempling
Landry
Larrivée
Leblanc (Longueuil)
Littlechild
Lopez
Malone
Mazankowski
McDermid
McKnight
Monteith
Nicholson
O'Kurley
Pronovost
Reid
Ricard
Robitaille
St-Julien
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Tétreault
Thorkelson
Tremblay (Lotbinière)
Vankoughnet
Vien
Andre
Attewell
Bernier
Bjornson
Blais
Bosley
Bouchard (Lac-Saint-Jean)
Brightwell
Cadieux
Cardiff
Chadwick
Chartrand
Clifford
Corbeil
Côté
Crosby (Halifax West)
de Cotret
Desjardins
Dobbie
Dorin
Edwards
Fee
Ferland
Fretz
Gérin
Guilbault
Hawkes
Holtmann
Horning
Jacques
Jourdenais
Kilgour (Edmonton Southeast)
Langlois
Layton
Lewis
Loiselle
MacDougall (Timiskaming)
Mayer
McCreath
McDougall (St. Paul's)
Mitges
Moore
Nowlan
Plourde
Redway
Reimer
Richardson
Roy-Arcelin
Schneider
Shields
Sobeski
Sparrow
Tardif
Thompson
Tremblay (Rosemont)
Turner (Halton—Peel)
Vézina
Vincent
Weiner
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—124
Wenman
Wilbee
Winegard

The Acting Speaker (Mr. Paproski): I declare the motion lost. The next question is on Motion No. 17. Ms. McLaughlin moved:

Motion No. 17

That Bill C-20 be amended in Clause 14 by striking out line 9 at page 7 and substituting therefor:

"come into force on April 29, 1989".

The House divided on the motion, which was negatived on the following division.

(Division No. 70)

YEAS

Members

Allmand
Angus
Assad
Bellemare
Berger
Boudria
Butland
Comuzzi
Ferguson
Fisher
Funk
Gauthier
Hopkins
Kaplan
Keyes
Kindy
Langan (Mission—Coquitlam)
Laporte
Lee
Manley
Martin (Lasalle—Émard)
Mifflin
Murphy
Pagtakhan
Pickard
Robichaud
Samson
Skelly (North Island—Powell River)
Stupich
Vanclief
Wappel
Young (Gloucester)
Althouse
Arseneault
Axworthy (Winnipeg South Centre)
Benjamin
Blaikie
Brewin
Catterall
Crawford
Finestone
Flis
Gardiner
Harvard
Hunter
Karpoff
Kilger (Stormont—Dundas)
Kristiansen
Lapierre
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
Marleau
McGuire
Milliken
Nystrom
Parent
Proud
Rocheleau
Simmons
Stewart
Taylor
Volpe
Whittaker
Young (Beaches—Woodbine)—64

NAYS

Members

Anderson
Atkinson
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Bourgault
Browes
Campbell (Vancouver Centre)
Casey
Charest
Clark (Brandon—Souris)
Cooper
Andre
Attewell
Bernier
Bjornson
Blais
Bosley
Bouchard (Lac-Saint-Jean)
Brightwell
Cadieux
Cardiff
Chadwick
Chartrand
Clifford
Corbeil

Corbett	Côté
Couture	Crosby (Halifax West)
DeBlois	de Cotret
Della Noce	Desjardins
Dick	Dobbie
Domm	Dorin
Duplessis	Edwards
Epp	Fee
Feltham	Ferland
Fontaine	Fretz
Friesen	Gérin
Greene	Guilbault
Harvey (Chicoutimi)	Hawkes
Hicks	Holtmann
Horner	Horning
Hudon	Jacques
James	Jourdenais
Kempling	Kilgour (Edmonton Southeast)
Landry	Langlois
Larrivée	Layton
Leblanc (Longueuil)	Lewis
Littlechild	Loiselle
Lopez	MacDougall (Timiskaming)
Malone	Mayer
Mazankowski	McCreath
McDermid	McDougall (St. Paul's)
McKnight	Mitges
Monteith	Moore
Nicholson	Nowlan
O'Kurley	Plourde
Pronovost	Redway
Reid	Reimer
Ricard	Richardson
Robitaille	Roy–Arcelin
St–Julien	Schneider
Scott (Victoria—Haliburton)	Shields
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thompson
Thorkelson	Tremblay (Rosemont)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Vankoughnet	Vézina
Vien	Vincent
Weiner	Wenman
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—124	

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Hon. Gilles Loiselle (Minister of State (Finance)) moved that the bill be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Shall I dispense with the ringing of the bells?

Some Hon. Members: Dispense.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 71*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Belsher	Bernier
Bertrand	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bouchard (Roberval)	Bouchard (Lac–Saint–Jean)
Bourgault	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Charest	Chartrand
Clark (Brandon—Souris)	Clifford
Cooper	Corbeil
Corbett	Côté
Couture	Crosby (Halifax West)
DeBlois	de Cotret
Della Noce	Desjardins
Dick	Dobbie
Domm	Dorin
Duplessis	Edwards
Epp	Fee
Feltham	Ferland
Fontaine	Fretz
Friesen	Gérin
Greene	Guilbault
Harvey (Chicoutimi)	Hawkes
Hicks	Holtmann
Horner	Horning
Hudon	Jacques
James	Jourdenais
Kempling	Kilgour (Edmonton Southeast)
Landry	Langlois
Larrivée	Layton
Lewis	Littlechild
Loiselle	Lopez
MacDougall (Timiskaming)	Malone
Mayer	Mazankowski
McCreath	McDermid
McDougall (St. Paul's)	McKnight
Mitges	Monteith
Moore	Nicholson
Nowlan	Plourde
Pronovost	Redway
Reid	Reimer
Ricard	Richardson
Robitaille	Roy–Arcelin
St–Julien	Schneider
Scott (Victoria—Haliburton)	Shields
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thompson
Thorkelson	Tremblay (Rosemont)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Vankoughnet	Vézina
Vien	Vincent

Weiner	Wenman
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—122	

NAYS

Members

Allmand	Althouse
Angus	Arseneault
Assad	Axworthy (Winnipeg South Centre)
Bellemare	Benjamin
Berger	Blaikie
Boudria	Brewin
Butland	Catterall
Comuzzi	Crawford
Ferguson	Finestone
Fisher	Flis
Funk	Gardiner
Gauthier	Harvard
Hopkins	Hunter
Kaplan	Karpoff
Keyes	Kilger (Stormont—Dundas)
Kindy	Kristiansen
Langan (Mission—Coquitlam)	Lapierre
Laporte	LeBlanc (Cape Breton Highlands—Canso)
Lee	MacAulay
Manley	Marleau
Martin (Lasalle—Émard)	McGuire
Mifflin	Milliken
Murphy	Nystrom
Pagtakhan	Parent
Pickard	Proud
Robichaud	Rocheleau
Samson	Simmons
Skelly (North Island—Powell River)	Stewart
Stupich	Taylor
Vanclief	Volpe
Wappel	Whittaker
Young (Gloucester)	Young (Beaches—Woodbine)—64

The Acting Speaker (Mr. Paproski): I declare the motion carried.

It being 6.37 p.m., this House stands adjourned until tomorrow at eleven o'clock a.m. pursuant to Standing Order 24(1).

The House adjourned at 6.37 p.m..

HOUSE OF COMMONS

Tuesday, October 17, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL

TABLING OF APPOINTMENTS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

SMALL BUSINESS

TABLING OF FIRST ANNUAL REPORT–*GROWING TO MEET TOMORROW*

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, pursuant to Standing Order 32(2) and prior to the beginning of Small Business Week, October 23 to October 27, I am pleased to table, in both official languages, the first annual report on the state of small business in Canada. It is entitled *Growing to Meet Tomorrow*.

[*Translation*]

Mr. Speaker, this annual report highlights the success of small and medium-sized businesses in Canada and points out their important contribution to the country's economy.

The report also includes a listing of programs offered by various departments for small and medium-sized businesses.

[*English*]

COMMITTEES OF THE HOUSE

BILL C-4–REPORT OF LEGISLATIVE COMMITTEE

Mr. René Soetens (Ontario): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-4, an act to amend the Energy Supplies Emergency Act and to amend the Access to Information Act in consequence thereof.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

PETITIONS

PROPOSED GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I rise to present a petition signed by a number of concerned Canadians from the Toronto-Scarborough area. This petition was collected by my friend, the hon. member for Scarborough West.

The petitioners are petitioning Parliament to reject the vicious, nasty and mean measures contained in the bill and soon to be introduced in Parliament providing a goods and services tax, a draft bill of which we received on Friday from the Minister of Finance.

The petitioners call on Parliament to reject this bill notwithstanding the wicked advertisements that this government saw fit to place in Canadian newspapers to convince Canadians that this is a good tax.

Mr. George Proud (Hillsborough): Mr. Speaker, I rise pursuant to Standing Order 36 to present petitions signed by constituents of the riding of Hillsborough and other parts of Prince Edward Island.

They too are concerned about the proposed goods and services tax and ask that this Parliament do reject such.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is my pleasure and my duty to present a petition signed by some constituents in Ottawa—Vanier from Michel Circle and Lavergne, Lebrun and other streets. They claim that the present federal sales tax was

increased from 9 to 13.5 per cent by the Conservative Government.

That this same Government wants to impose a new hidden 9 per cent universal goods and services tax on Canadians.

That imposing this new universal goods and services tax will cause serious and unfair hardships for Canadians on low and moderate incomes.

That imposing this tax would be a costly burden for small businesses and that it would be inflationary—

For these reasons, they humbly ask Parliament to reject this new goods and services tax.

• (1110)

[*English*]

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it gives me a great deal of pleasure today to rise and put before Parliament a petition also with respect to the mean and evil goods and services tax that this government has proposed to bring in.

The petitioners ask and pray that Parliament reject the current proposal for the goods and services tax, reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations, and ensure that if and when there is a broad public consensus on a sales tax measure to replace the manufacturers sales tax this reform not be an opportunity for the government to impose a massive tax grab.

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour today to present three petitions.

The first petition relates to the goods and services tax. It is signed by a number of people from New Brunswick and other parts of Canada explaining their opposition to the government's intention to bring in a goods and services tax.

They believe that the House of Commons should reject the current proposal for a goods and services tax, reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations, and ensure that if and when there is a broad public consensus on a sales tax measure to replace the manufacturers' sales tax this reform must not be an opportunity for the government to impose a massive tax grab and cause the Government of Canada—

The Acting Speaker (Mr. Paproski): The hon. member for Vancouver East.

Mr. Murphy: I have two petitions, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I will recognize the hon. member after the hon. member for Vancouver East.

VANCOUVER PORT CORPORATION DEVELOPMENT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am honoured to present a petition from a number of my constituents in Vancouver East on matters of great concern to them and to the city of Vancouver.

The Vancouver Port Corporation has entered into a 10-year lease with Elder's Grain Limited, a foreign corporation, as lessee to construct a grain transfer plant without any consultation or notice to the people who reside in the contiguous properties.

Therefore the petitioners call upon Parliament to direct the Vancouver Port Corporation to stop the development of this Elder's Grain Limited at the terminal dock site and ask that the community develop a comprehensive plan for Vancouver's inner harbour in co-operation with the city and the port which is compatible with the community.

PROPOSED GOODS AND SERVICES TAX

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I rise today pursuant to Standing Order 36 to present two petitions to Parliament duly certified as to form and content.

Both petitions relate to the proposed 9 per cent goods and services tax, and they are signed by a total of 56 irate residents of my riding. They are irate because the present government is not listening to Canadians with respect to this sales tax.

They call upon Parliament to categorically and unequivocally reject any legislation brought forward to implement the said goods and services tax.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, today I have the honour and privilege to present a petition signed by approximately 1,200 residents of Hamilton Mountain. The petitioners have spoken out

overwhelmingly against the Conservative government's proposed 9 per cent goods and services tax. The petitioners believe that the tax is unfair.

These petitioners humbly pray and call upon this House to reject the Conservative government's 9 per cent goods and services tax proposal.

OPPOSITION TO BILL 178

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition signed by approximately 37 of my constituents.

The petition demands, in effect, that Bill 178 of the province of Quebec be disallowed by the federal government as being contrary to our Canadian Charter of Rights and Freedoms.

PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present two more petitions today. One is signed by 168 residents from Manitoba, Saskatchewan, and Alberta who are in support of Canada's only inland seaport.

These petitioners call upon the House of Commons to direct the minister responsible for the Wheat Board to ensure that at least 3 per cent of Canada's annual grain shipments are shipped through the Port of Churchill.

They also request that the government aggressively pursue additional ways to utilize this important seaport to ship exports other than grain.

VIA RAIL

Mr. Rod Murphy (Churchill): Mr. Speaker, my last petition is signed by residents of the community of Churchill, Manitoba, along with others in the province of Manitoba.

They are protesting the decision of the federal government to cut back VIA Rail service in Canada. They believe that the government's announcement will only hurt the national rail system. It will cause the lay-off of Canadian workers.

The Government of Canada should make sure that we have an adequate, substantial and modern rail service for all Canadians.

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all the questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Wednesday, October 11, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-28, an act to amend the Income Tax Act, the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, the Old Age Security Act, the Public Utilities Income Tax Transfer Act, the War Veterans Allowance Act and a related act, be read the second time and referred to a legislative committee.

Mr. Cooper: Mr. Speaker, in the last little while we have had a practice of allowing each party to divide its time and, instead of the usual 20 and 10 minute speech, to use it in two tens and two fives.

I have had informal discussions with the other two parties, and I am wondering if the House would be prepared to give its consent for us to put that practice in place today for the second day of debate on Bill C-28.

Mr. Gauthier: Mr. Speaker, since the opposition was instrumental in implementing this practice of 10-minute speeches followed by 5 minutes for questions and comments, we would certainly not oppose such a procedure at second reading of a bill. I would hope the government would do this more often at second reading to give more members a chance to speak. I think that 10 minute speeches and five minute questions and comments are more constructive.

I have some hesitation because, if I heard the Parliamentary Secretary correctly, he said two 10-minute speeches followed by 5 minutes for questions and comments. I would rather have the rotation that we had: a 10-minute speech and 5 from the opposition, a 10-min-

utes speech and 5 from the government side and vice versa, keeping in mind there is a 4–1 ratio here of applicability in terms of how often the opposition gets on. Rather than having the 20–minute speeches split into two tens and two fives on one side, I would rather we rotate all day.

Mr. Murphy: Mr. Speaker, we may have to go back to the drawing board on this one. We still wish to have the option to have a full 20–minute speech from time to time during the day. I think we had better discuss this further.

The Acting Speaker (Mr. Paproski): May I suggest that the member who rises states whether he will take 20 minutes, plus 10 minutes for question and comments, or 10 minutes plus 5. Is that agreed?

Mr. Cooper: Mr. Speaker, we do have a substantial agreement among ourselves, and we can arrange for the parties to do that.

We would encourage the members to go with the 10 and 5 in the normal rotation because it is not our intention in any way to rob members of the NDP, the Liberal party or the government of an opportunity to speak. What we would like to do is expand that opportunity at the second reading level as related to the comments made by the Whip of the Official Opposition.

The Acting Speaker (Mr. Paproski): Am I to understand that when the member rises he will ask for either a 20–minute speech plus 10 minutes for question and comments or 10 minutes plus 5?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): So agreed. The hon. member for Edmonton Northwest.

Mr. Murray W. Dorin (Edmonton Northwest): Mr. Speaker, since I did not stay up all night preparing a speech for this morning, I will in the spirit of co–operation attempt to stay to around 10 minutes or so.

• (1120)

Today of course we are debating Bill C–28, the amendments to the Income Tax Act that flow from this year's budget presented by the Minister of Finance in April.

Before addressing the tax matters that are in this particular piece of legislation, one should consider the context in which they are being put forward, because in any budget there are a number of elements.

First, there is the presentation of the government's fiscal plans for the year including its spending plans. From that we can determine the government's financial requirements, and from that the government must determine how they are going to fund those financial requirements, either through borrowing, through taxation, or perhaps through some other means.

If we take a look at the last five years during which time this government has been governing, we have seen a fairly consistent pattern over that time. Government spending in the over–all has been held down to something less than the rate of inflation in the country. At the same time, the economy has grown, but there has also been some need to put in certain tax measures to fund essential programming.

When talking about the spending side we can look at four elements of government spending which are essentially where government money goes. The first element is interest. Unfortunately, we have a large accumulated debt which generates an annual interest bill each year of about $30 billion. That, of course, must be paid through the interest payments, Canada Savings Bonds and other means that the government uses to finance its debt and its borrowing. We have approximately $30 billion a year in interest payments.

The second element of government spending is transfer payments to provinces. That sounds complicated, but what it means is the money that we give to provincial governments to fund social programs in addition to their own tax revenue. By far the largest element is the amount of money that goes to support health care at the provincial government level. It is approximately $25 billion. We can call that the second quarter or second element of government spending.

The third element is transfers to individuals which are essentially for pensions and family allowances, the vast bulk of which are for pensions.

When we look at those three elements of government spending we find that we have a very difficult time in trying to maintain spending or cut spending without diminishing those programs. First, in relation to interest, one would have to default on our bonds, default on our debt, or not pay Canada Savings Bonds. I do not think

anybody is suggesting that that would be a very proper thing to do.

The second element of government spending, the transfer payments to provinces to fund health care, most people believe that we should continue to pay. There is a formula under which the government pays that amount based on the growth in the economy each year which means that that bill continues to escalate.

First, we have the interest bill escalating by roughly $3 billion a year due to the continuing deficit, as long as that is there. Then we have the transfer payments to provinces increasing by an amount of about $1 billion a year simply to maintain our existing level of health care and other services. Then we have the third element, transfers to people, which are increasing every year because there are more and more people over the age of 65 in our population. Unless we can somehow stop people from ageing, we are going to have a continuing ageing population. That adds approximately $1 billion a year to the government's requirements.

With all of that, the government must find an additional $4 or $5 billion a year just to maintain those essential services. We often hear people saying that what they should really do is cut their expenditures. That is fine. I think that we would all like to do that. However, we must realize that any significant cuts in government expenditures are going to have to be addressed at those areas because when we come to the last quarter of government spending it goes for everything else. Now, that is the area in which most people want cuts, because they do not monitor it particularly carefully, it is somewhat diffuse, and there are a lot of civil servants out there who think that there is a lot of money available through waste and misuse to be found.

That last quarter of government spending goes to pay all the civil service salaries, offices for them to work in, paper for them to shuffle, and virtually all of the expenditures that go along with the operation and maintenance of the government, including police, customs agents, and for that matter, tax collectors, and I suppose some people think we could do with fewer of those.

That part of government spending has been held down. In fact, over the last five years it has been about 17 per cent of total government spending; it is about $1 billion less in absolute dollar terms than it was five years ago, in spite of the fact that we have had roughly 4 per cent inflation each year. The number of civil servants has been reduced to the 1972 level. That is the area that has borne the brunt of government expenditure cuts over the last five years, in order to support and maintain the other three areas that I described earlier. However, we have reached a point where we simply cannot make substantial cuts in that area any longer without seriously diminishing the services and the operations of the government which people desire.

We have two choices. We can either do something in the two areas, either through transfers to provinces which fund health care, or transfers to people which fund pensions, or we can try to increase taxation. This budget does some of both. In the area of transfers to people it is going to tax back and recover, from people with incomes of over $50,000 a year, the benefits that they received through the family allowance and pension system.

There have been some people who have been opposing this. There have been some people who have come to see me about this. I had a group of senior citizens come to see me about this. I told them what I want to tell you, Mr. Speaker.

In my view it is absolutely unfair for me to ask people who are in the workforce working or even trying to plan for their retirement, making an average income of $27,000 a year, which is approximately the average income in Canada, or perhaps living on an average family income of $47,000 a year, which is approximately the average family income in Canada, to pay more taxes so that we can continue to provide benefits to people who have retired, who are no longer in the workforce, who are over 65, and have substantially enough wealth that they still have an income of over $50,000 a year. We should not continue to pay them the old age security benefits. It would be totally unfair to tax people who are working, supporting families, trying perhaps to buy a home, trying to save a little for their retirement, earning $27,000 a year on average or $47,000 a year as a family, and ask them to pay more taxes so that we can continue

to pay benefits to people who are retired and over 65 and who have incomes of over $50,000 a year.

This measure taken by the Minister of Finance, while it is not supported by everyone and while it has not been supported so far by the opposition parties, is a measure of fairness. In order to continue to pay benefits to those people who are receiving pensions and maybe do not have other income or perhaps are receiving pensions and have an income of $10,000 or $12,000 a year, and there are many of these people in my riding, we are going to withdraw benefits from people with substantial incomes.

I am prepared to defend that in any forum. I have told people in my own riding that. I have told that to people who came to meet with me and I have written letters to that effect. We cannot continue to fund more and more benefits for more and more people without finding that money some place.

There was a tax rally in Edmonton a week or two back and it was ostensibly to protest the goods and services tax. The incredible thing that I found was that groups went there to have petitions signed at the same time they were protesting the paying of tax, which is another subject for another day. They were asking people to sign a petition to maintain the full benefits for people over 65, full pensions for people with incomes of over $50,000. I find it incredulous that on the one hand people can oppose paying taxes, then somehow suggest that we should find money from saving it through government expenditures, and then oppose what is essentially a benefit to people who do not need it.

• (1130)

I know that we agreed earlier to only talk for 10 minutes. While I would have liked to have gone on for 20 minutes, I will stop here. I wanted to cover that one point. I have many others I would like to address but I will have to save them for another day.

The Acting Speaker (Mr. Paproski): Is there a comment? The hon. member for Edmonton Southeast.

Mr. Kilgour: Mr. Speaker, I listened with interest to the member's speech. What does he think the proposal does to the principle of universality? Does it get away from "directions by indirections, fine", I think was Shakespeare's phrase. It has been explained to me that people paying taxes between 1951 and 1972 paid premiums based on their taxable income.

Will the member tell the members of the House and perhaps Canadians at large whether he thinks it is fair to people who were obliged to pay premiums based on income and happened to have provided for their retirement by keeping the OAS as part of their retirement package? Why should they now be penalized, bearing in mind that these people pay taxes on the same basis as the rest of us do based on ability to pay. It is hardly getting a free ride when they say that they are entitled to OAS because it was used in retirement planning and when they are perfectly prepared to pay income tax based on their taxable income now.

Mr. Dorin: Mr. Speaker, I will try to address some of those questions. First, the point was made that at one time, I believe up until about 1972, a special tax was designed or designated to fund old age security. That has not been there for many years now, at least 15 years. I would think that if we were to look at how much came in through that tax and look at the benefits that have been paid out since that time we would find that what came in has been paid out many, many times since then.

To suggest that money paid 15, 20, 25 years ago is still around to pay benefits is unrealistic. We can all talk about unfairness. There is a certain element of unfairness. I believe it is most unfair to ask people who are in the workforce earning $27,000 a year, perhaps supporting families, to pay additional taxes so we can fund benefits for people who are essentially in a position to not really require them.

If you have an income of $50,000 a year in retirement, you must have a substantial asset base. I just cannot believe for the life of me that we should somehow be suggesting that these people deserve more, but in order for them to have more, people who are earning $27,000 a year in the workforce, struggling to make a living, should be asked to pay more tax. It makes no sense to me.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate with the hon. member for Okanagan—Similkameen—Merritt. Is the hon. member going to speak for 10 minutes?

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I will be taking the full 20 minutes.

It is a pleasure to rise today and speak on this bill. I should say right at the outset that since I was elected to Parliament in November of last year, I have had two occasions to rise and speak on bills in a positive vein. From the opposition point of view, that is something that comes too infrequently. Certainly it is a pleasure to be able to do it.

When we consider the present bill before us, historically I should be standing before you speaking positively on the expansion of the universality principle; on the expansion of benefits to our seniors and to our families with children.

On March 7, 1984, our Prime Minister said, "Our position is simple and straightforward. We are in favour of universality and social programs and it shall not be touched". Over the period of time there were attempts, particularly in 1985, perhaps not to touch the universality aspect, but certainly to de-index pensions of seniors. Of course, an outcry arose and, as a result of that outcry, the Prime Minister saw the folly of his idea and backed off.

On October 15, 1988, in Summerside, Prince Edward Island, Mr. Mulroney again approached our seniors and told them, "Let me say a special word to the senior citizens. In the future, Canada will be doing more not less for all of you. As long as I am Prime Minister of Canada social benefits, especially those for the elderly, will be improved not diminished by our government which is committed to social justice and fairness for Canadians".

Now arising out of that particular quote, again I fully expected to be able to come before Parliament and, as an opposition member, pat the government on the back for the expansion of its social programs, for its assistance to the elderly and for coming up with better programs such as daycare and such as a better family allowance assistance for the families of Canada who are struggling today.

When I examined Bill C-28, and the government's approach to the family and to the seniors aspect, I found that this government, that had promised to make things better for our seniors, was reneging on that promise. I would suggest that it is attacking the very principle of universality that has grown so near and dear to us in Canada.

This clawback does not maintain the principle of universality as Mr. Mulroney and Mr. Wilson have contended. It marks the steady erosion—

The Acting Speaker (Mr. Paproski): I would hope that the hon. member would recognize these individuals by their portfolios. Thank you.

Mr. Whittaker: I do apologize for that, Mr. Speaker.

The principle of universality has not been maintained, as the Prime Minister and Minister of Finance have contended. It marks the steady erosion of our social programs, down to a much lower denominator. From now on social programs will be for the poor only. They will be targeted for those in need and, thereby, made selective, not universal. The clawback will move our pension system closer to that of the United States. No pension exists in the United States as a right of citizenship, but it does in Canada for those over the age of 65. This is something that we in Canada, our parents, our grandparents and those before, have worked hard for over a lengthy period of time. And now we have seen the wedge being driven in by this government.

It is interesting to note that in a letter to a person in Edmonton, the chairman of the finance committee said: "We have decided to eliminate universality. While a clawback may be unfair and sneaky, it is there". Well I suggest that this clawback is unfair and it is sneaky. In fact, it does through the back door what this government has promised not to do—attack the very basis of universality that we in Canada have grown to understand as a right.

• (1140)

We do not need and we do not want a system that is based on need, that is based on a means test. We are different in Canada and we are proud of it. Throughout history we have not been the same as our neighbours to the south.

If we in the opposition have anything to say about it, I suggest we will not be the same in spite of how hard this government tries to harmonize those of us who were born and raised in Canada and those of us who have immigrated here and set up homes. It will not be able to suppress that difference in Canadians. In spite of the fact that we now have the free trade agreement, and those pressures within that free trade agreement to harmonize many aspects of our Canadian life that we hold near and dear, we shall not give up or give in without a fight. I suggest that pressures will be so enormous against the

harmonization of our social programs with those of the United States, that this government will not be able to quiet the din that they will hear from all across Canada.

It is not just the goods and services tax that will hit our seniors and our families, it is methods such this clawback of old age security and family allowance that threatens the very principle that the basis of universality is built upon. We will hear the arguments in support of the clawback that is proposed in this bill, and have already heard some this morning, that those who make $50,000 a year really do not need the assistance of the old age security or the assistance of the family allowance. But what they fail to point out is that the system that has been set up, with a level now of $50,000, is the thin edge of the wedge. Any future government can drop that level to $40,000, to $30,000,or to $20,000, as it sees fit in order to break down our present system of pensions and family allowances. That is the crux of the argument. Once the door has been partially opened, it is but a small push to open it the rest of the way and create the flood toward the complete destruction of our social programs. We on this side of the House and in this corner of the House will not allow that to happen.

The other factor that we have to look at in this clawback is the fact that it is only partially indexed to the rate of inflation, so that up to 3 per cent is not taken into consideration from year to year.

At today's $50,000 level, as Mr. Wilson says, only approximately 4 per cent of Canadians are affected by the clawback. However, if we look at the facts, we know that within 10 years the number of seniors who will have at least part of their old age security clawed back will be one in twelve, or up 8 per cent from 128,000 to 300,000 persons. In 20 years, that number will be one in four, or one million people, or 25 per cent of those receiving it will now be giving at least part of it back. The amount will drop back so that eventually the average will drop.

Right now, if we look at family allowances, we know that the average Canadian income is $45,000. It does not take much imagination to see that within a year or two even those now making $45,000, with the rate of inflation going up at least 3 per cent, will be paying back at least part of what they get in family allowance. We have effectively turned our system into that of a means test. If you need it, you get it.

Our contention is that these people are already paying tax. The unfairness of this clawback is readily apparent. Those with two incomes in a family, perhaps one at $45,000 and the other at $35,000—will be excluded. They will not have to pay any of it back. Yet one person making $56,300 will end up having to pay all of their family allowance back to the government. They pay their taxes which go into this assistance. Now they are going to have to pay back what they are getting as a credit toward having a family. It is unfair. It is discrimination against those with families. They are being doubly taxed.

Similarly, it has been pointed out many times by seniors, that since the 1950s and until 1972, I believe up to 4 per cent of income was paid toward the old age security. In 1972 that was wrapped in and was not taken into account. I suggest that it is, in fact, part of the tax system and has continued to be paid since 1972. Many people point out that they have paid for their old age security. They have set their budgets accordingly and they have anticipated that income in calculating out their savings throughout that period. I would like to read to the House some comments and in one case almost a complete letter. A gentleman has written to me from Penticton, which is in my riding of Okanagan—Similkameen—Merritt, and has asked if it would be possible to read his letter to the House of Commons. He states:

> The old age pension is a pension. That is how it is defined now. It is not welfare. It is a form of wealth. It was not granted for need, as welfare is, but for merit to deserving people as pensions are.
>
> The obvious objective of this government is to redefine that pension as welfare. They obviously hope to do that by taxing and treating it like welfare. Once that tax, and its new definition, has been accepted by Canadians the government can decrease it or eliminate it. They are already eliminating some people's old age pensions. Obviously they will not get much additional revenue from those few people so how safe are the pensions? This government obviously knows they may not be able to make this odious tax grab stick if it is challenged. No wonder they are spending millions of our tax dollars trying to trick Canadians into accepting their newly fabricated definition.
>
> Obviously then Canadians should not let this government tax anyone's old age pension any differently than any other pension. United we stand, divided we fall. Canadians shouldn't be deceived. It is obviously only to reduce the sympathy and support, that other Canadians might give to the first victims of this odious scheme, that the government has put the amount of their current means test high

enough so that most pensioners will not be affected at this time. Who knows how much lower that amount will be in the future? Forty, thirty, twenty thousand or will the pension be abolished altogether? That seems most likely.

Cunningly these deceitful people are suggesting that other pensioners might get their own pensions increased from the funds extracted from their fellow pensioners. Is that likely? Can anyone believe that? These people have said they want to reduce the deficit. Are they not now actually cutting back on social programs? Are they likely then to increase anyone's old age pension? Can they be trusted? What is their record? Remember their actions, not their words? Do they deserve anyone's trust? Divide and conquer seems to be their dominant policy in relation to so many things.

Every person getting that pension now could lose it and there might well be no such pension in the future for any other deserving Canadians. No one's old age pension is safe.

Our government can obviously, even now if they choose, increase old age pensions without taking away anyone's pension. All they need do is to collect more taxes from all those people who are not now paying their fair share. Or they can raise the tax rate for all Canadians in the upper tax brackets. Or they can tax the excessive wealth that discriminatory tax policies make possible. How about the excessive wealth of the multi-millionaires and billionaires? Those people can't possibly earn such wealth can they? Do they need it?

It is signed by A. J. Lancey. That gives an idea of how people are viewing government and government policies. One of my constituents in East Gate, Manning Park, states in respect to what is happening:

I am writing you to express my deep concern over the finance minister's proposed shabby treatment of Canadians in their twilight years. I am referring of course to Mr. Wilson's proposed removal of universality of the old age pension through his scheme to grab it back through taxation.

It seems to me that when you contribute all your working life and in fact are obliged to contribute as in the case of old age security tax, that it takes a pretty damned dishonest as well as uncaring person, to seek to snatch away your well earned benefit just about the time you had every fair and reasonable right to start enjoying such benefit.

Mr. Speaker, it is obvious that the people of Canada are not only disappointed with the policies of this government but they are annoyed by what has been laid out on the table for them for the future.

• (1150)

It is clear from many groups throughout Canada that they look upon this as a nasty tax. The National Council of Welfare has stated: "Universality, the principle under which programs are available to all Canadians regardless of income, is dead". The National Anti-Poverty Organization has said that: "The government is obviously ending universality but does not want to actually say those words". One Voice, a seniors group, has stated that: "Changes represent an erosion of universality and would unfairly target senior citizens". The Vanier Institute of the Family has said that: "The proposals effectively withdraw what little support remains for the family".

I will not be the only voice speaking from the wilderness. There are many of us across Canada who are telling this government that enough is enough. Leave our social programs alone.

[*Translation*]

Mrs. Vézina: Mr. Speaker, I would like to make a brief comment and ask my fellow member a question.

I would simply remind him that before I entered politics in 1984, I worked with families and with seniors and I very well know the difference between the principle of universality and the practice of it.

The measure presented by the Canadian Government is fair and equitable.

I met seniors throughout Canada in the last six months and I discovered full citizens who want to share and take part in the Canadian challenge that we are offering them as a Canadian Government.

The measure we are proposing therefore does respect the practice of universality, which for me means ensuring that every Candian who is 65 or over has at least a minimum. Name me just one Canadian (over 65) who does not get an old age security cheque! The very principle of the old age security pension is to provide needy persons with a minimum and as a responsible government, our responsibility is to help the less fortunate.

I would therefore like to ask my colleague to tell me how he can say to Canadians who are 65 or older that the measure we are advocating does not respect universality. We are asking those earning at least $50,000 net to show solidarity and I know that many Canadians I have met agree to take this challenge because together we must have some extra funds to improve our social programs, just to help the seniors who really need it.

[*English*]

Mr. Whittaker: I am somewhat surprised. I have a great deal of respect for the minister. I think that for the most part, she is an excellent minister. She has the best interests of seniors at heart.

However, having said that, I am somewhat surprised at the minister. She told the House that over the last six months she has spoken to various seniors groups, and perhaps they agree that we have to attack the problem of the deficit and deficit financing, but I do not think that any of those groups have said that they are in agreement, either partially or in principle, with this massive claw-back, this unfair double taxation of what they, as seniors, have worked so hard to gain throughout their lives.

They do not mind paying their fair share and they are very clear on that, but they do not want to have to pay more than their share. They want others who are not paying their share, such as the large corporations, such as the wealthy, such as the high income earners with incomes over $80,000 a year, to pay their share. I suggest to the minister that they are now in their golden years, now in the years that they have looked forward to for travelling, enjoying themselves, relaxing and not having to worry about where their money is coming from. They do not feel that they should have to carry the burden of taxation in Canada.

I agree with them. I do not think that they should, after all of these years of working and assisting the government in bringing taxation into the coffers, have to do more than their fair share. Let us tax those with the ability to pay, as they have suggested. Let us not attack the family. Let us not grab from the seniors when they are least able to defend themselves because I, for one, will stand in my corner and I will kick and I will fight and I will stand up for the rights of those seniors if they cannot do it themselves.

Mr. Martin (LaSalle–Émard): Mr. Speaker, one of the proudest heritages of this country is the fact that we are, indeed, a compassionate and tolerant society. I am very proud to stand up on this side of the House and say that that is the heritage of the Liberal party to this country.

I would like to congratulate the member for his speech and for his very clear enunciation of policies which we in the Liberal party have created since the Second World War. I would like to welcome him in this broad Liberal philosophy that we have created, this philosophy of understanding the needs of the poor and the disadvantaged and the downtrodden.

• (1200)

My question to the member is, could he possibly explain to this House how it is that the Conservative Party has a philosophy which is so alien to that which is held by the vast majority of Canadians? Does he understand why the Conservative Party and this government are prepared to claw back from senior citizens money which they have paid into the government's funding in order to maintain a decent and universal system of pensions in this country?

Does the member feel that the government adequately consulted with seniors in this country before expropriating their savings? I would like to ask the member if he could possibly explain to us how it is that we have elected a government which is so foreign to the needs and the aspirations of Canadians.

Mr. Whittaker: Mr. Speaker, I thank the member for his questions. I would like to point out that the social programs that we have seen developed in Canada are the legacy of the likes of M. J. Coldwell, J. S. Woodsworth, Tommy Douglas, David Lewis and Edward Broadbent. We in this party are very proud of those former leaders and the fact that they were able to show the government in power at that time the error of its ways and the ways of the future. We thank them very much for seeing that and for bringing in the legislation that has been near and dear to and a basis of our party for so long.

To turn to the hon. member's question with respect to the government, I often wonder how a government that speaks and talks as if it is caring can then trip the very people that it says it is caring about and tramp them into the mud as it stomps by them. It is truly a shocking policy of an uncaring government.

We have worked so long in the past to try to make equal some of those within our society, and now under the free trade agreement with its various pressures for harmonization, all of the things that have been worked toward since the Second World War in particular, and since the turn of the century with the advent in the early 1900s of some of our old age security systems, are being eroded because of an uncaring government.

I think that we on this side of the House must ensure that the people of Canada well recognize that there is more on the plate of this government for them in the future. We must stand up and ensure that measures that will hurt the poor, measures that will hurt those on fixed incomes, measures that will hurt the family and mea-

sures that will hurt seniors will be stopped and blocked now.

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I would like to say that I would agree to talk for ten minutes and after to have five minutes of questions to permit others of my colleagues to also have time to participate in this debate.

Also I will talk about Bill C-28, the income tax review.

[*Translation*]

In fact, about the Income Tax Act and related legislation. Mr. Speaker, I think it is important that taxpayers, that all Canadians be aware of the major aspects of this Bill. In fact, the measures contained in this enabling legislation reflect the commitment made by the Government to reduce the deficit and improve the fairness of our tax system. These measures include a high-income surtax; second, a deduction in respect of part-time attendant care expenses for the working disabled; third, the refundable sales tax credit will be doubled and the income threshold at which the credit starts to be reduced will be increased; furthermore, Mr. Speaker, the new tax on large corporations and modifications to the existing corporate surtax are expected to raise an additional one billion dollars from the corporate sector in the first full year of application of these measures.

Mr. Speaker, those were a few highlights, but the 1989 budget's measures are in line with the objectives of the 1987 income tax reform, and they support—in fact they will provide for a more stable tax base which will help the government deal more efffectively with the deficit. They also help create an investment climate that is a response to economic rather than fiscal considerations. Finally, and most important, Mr. Speaker, they improve the fairness of our tax system by requiring high-income Canadians and the corporate sector to contribute to a greater extent to meeting the government's revenue requirements.

Mr. Speaker, when we talk about raising taxes and reducing the deficit, it is always difficult to explain to taxpayers that they must contribute more to the economy of their country. However, the government's perspective— On the weekend in Jonquière, the riding whose residents I have the honour to represent in this House, I was telling taxpayers that our government was even better than it was in 1984. I explained that in 1984, many of our Tory members had been elected for the very first time. We did not have much experience but we were ready and willing, and we really wanted to help improve the situation in this country and reduce the debt so that we could maintain social programs. Gradually, however, because of our lack of experience and at a time when we might have been able to introduce new legislation and apply new measures, we had to cope with a series of political scandals, which was a very trying time for all members in this House.

The government has now been given a second mandate. It has a very solid agenda, Mr. Speaker, and we now have a chance to implement decisions which had been postponed or delayed. Now we have to do something. We have no choice. The debt is now 324 billion dollars and costs us between 80 and 100 million dollars a day in interest. One hundred million dollars a day! In the Saguenay—Lac-Saint-Jean region, when we talk about what it costs to build a highway from the Saguenay to Québec City, we are talking about $200 to $300 million. With two or three days' worth of interest payments, we could build a highway so that the Saguenay would have far more convenient and safer access to the Québec City area, for instance. Unfortunately, we cannot pick up those two or three days' worth of interest payments and take them home. The government can't do that, and meanwhile, the whole region may have to wait ten, twenty or thirty years for that highway.

One hundred million dollars a day in interest payments, Mr. Speaker—You know what our social programs cost, including old age security pensions and family allowances. If we didn't have to pay $100 million a day in interest on our debt, we could give a lot more to the taxpayer. One hundred million a day in interest payments, Mr. Speaker, is as if every day, the government sent a cheque for $20,000 to 5,000 people. Do you realize how many people we could pay this kind of salary in one year? That is what our debt costs us every day.

Mr. Speaker, we must understand that when we want to reduce a debt—Remember that in 1984, when we came to power, the debt was $200 billion. Five or six years later, the debt has now increased to $324 billion. Canadians may not realize this but when we came to

power, the government's annual deficit was $38 billion. So when we were elected, with this $200 billion debt plus the annual deficit, we were in for $238 billion. The following year, we were able to reduce the deficit from $238 billion to $234 billion, but $34 billion was still added to the deficit, and the process goes on. Now we have managed to keep our annual deficit down to about 28 or 30 billion dollars, but it keeps adding up.

• (1210)

And that is why the government can no longer afford to provide these social programs, unless it takes certain steps that are necessary.

I think that event if my colleagues in the NDP and the Liberal party, are against tax increases, they will understand that, as a responsible government, we have to act, we have to do what is necessary, because otherwise we would be acting irresponsibly towards future generations of Canadians.

Mr. Speaker, I saw the same thing when I was a member of the Legislative Committee on Bill C–21. I travelled across this country for three weeks. We visited all 10 provinces of this country. I saw provinces with an unemployment rate that was lower than average, and I saw others with an unemployment rate that was higher. In British Columbia, I saw a very prosperous city, Vancouver, a delightful place. However, I saw other parts of Canada like Newfoundland which is not as well off as the other provinces. I met people in St. John's. The economic situation is different.

With a vast country like ours, the government has to try and reduce regional disparity and get the richer provinces to pay for the poorer provinces, so that everybody will be happy in this beautiful country of ours and we can have social programs for all Canadians.

Still on the subject of unemployment insurance reform, and I think this is an important point, about 200 different groups appeared before our committee with briefs in which they explained their views. Across this country, people were saying: "Sure, we agree with your plan to do more through unemployment insurance reform, but not with what you want to remove, what you want to remedy. If you want to use $800 million to train workers, when 30 per cent of our young people drop out before they even finish high school, if you want to spend $800 million more on training, that's fine. But don't take the money from the unemployment insurance fund. Take it out of taxes. Get more money from the taxpayers. Unfortunately, we can no longer afford to do that, either as a government or as Canadians.

We now have to take the money we have to reallocate. Let me give you an example, Mr. Speaker. Let us assume we have 989 different programs in this country. There may be 1,000 or 1,050 but let us say there are 989 different programs. If every time we want to give Canadians a little more, we have to add one more program, there comes a time when we have to ask the question: Where is the money going to come from?

That is the problem. We have to look at these programs and cancel the ones that are no longer effective or not as good as they were, and then take the money and reallocate it to better programs that will meet the needs of Canadians, that respond to the present situation and reflect the Government's new perspective and the new needs of Canadians.

So that was an example of using new funds. Remember what the Liberals said when we cut the Katimavik program. We even had Senator Hébert on a hunger strike in front of the Senate Chamber! He said it didn't make sense to cut the program, that we were doing a terrible job as a Government. However, nobody even talks about the program anymore, and I think everybody will agree we were right to do what we did. We saved money and we took that money and spent it on other programs.

Mr. Speaker, the legislation before the House today reflects the government's policy of trying to maintain the standard of living and quality of life of Canadians and ensure we can keep our social programs. We have to bear this in mind, Mr. Speaker. We have no choice. This is serious stuff! We have this debt and there are no two ways about it.

I want to ask all members of this House to work together so that this bill can be referred as soon as possible to committee, so the government can proceed with the other items on its agenda.

I think unemployment insurance reform Bill C–21, will be particularly important.

I also believe that the goods and services tax, and I will talk about that later because I have a lot to say about it—If my collegues have any questions, I will be glad to try answer them.

[*English*]

Mr. Wappel: Mr. Speaker, I thank my colleague for his speech. I have a question for him. He indicated in his opening remarks that he would like to address the bill so that perhaps Canadians could understand it. I have a copy of the bill in my hand which contains some 84 pages and which proposes to amend a number of different acts. I would like to ask my colleague basically about integrity.

In 1987 the Minister of Finance indicated that the surtax which had been brought in would be removed when a new sales tax was introduced. We know that there is going to be a new sales tax introduced. That is what we have been talking about for the last little while. Lo and behold, if we look at Bill C-28, and I direct my hon. friend specifically to clause 47 of that bill, we see that Section 180.1 of the Income Tax Act is going to be amended, not in fact to remove the surtax but rather—and I wonder how many Canadians really know or appreciate this—to increase it from 3 per cent to 5 per cent across the board, and in addition, to increase it a further 3 per cent for those people who pay over $15,000 in tax in a taxation year, bringing it to 8 per cent.

I would ask my colleague to comment first on the fact that his own Minister of Finance indicated on June 18, 1987 that when the new sales tax was brought in the surtaxes would be removed, and why we have in Bill C-28 not only a failure to remove surtaxes but an increase of those surtaxes. This on top of the sales tax that this callous government is expecting Canadians to pay.

[*Translation*]

Mr. Blackburn (Jonquière): Mr. Speaker, I understand my colleague is trying to find something in the Bill whereby the government will get more money.

However, my colleague forgets to mention the good points for many Canadians.

I see my colleague smile. He does not seem to find any in the bill! What about the tax credit we have almost doubled, Mr. Speaker! I think that is a very positive measure that our government is presenting just so low-income Canadians can have more money and be able to handle the various cost-of-living and other increases in this country. We propose to do the same thing with the future goods and services tax! Let us remember, and I remind my colleague, that the new 9 per cent tax will replace the old 13.5 per cent tax that is now applied to nearly 75,000 manufacturers. There are about 22,000 different regulations and interpretations to collect the 13.5 per cent tax. We will do away with that and replace it with a new 9 per cent tax.

So that low-income Canadians can absorb this 9 per cent tax, we will send them four cheques a year to compensate for it. For a family with two children, for example, that amounts to about $715. For a single person, it is over $400. That is an example of the tax credit that we will give to low-income individuals to help them with this new tax.

The same thing is in this bill: the sales tax credit is being raised to help give taxpayers the income they need to deal with difficulties and meet their obligations and buy things as they like.

I think that Canadians—I can tell you, I met people from *Revenu budgétaire* who do tax returns. This is a voluntary organization in my riding that helps low-income taxpayers get the famous sales tax credit and the other amounts the government gives every year to those whose income is under $15,000.

[*English*]

The Acting Speaker (Mr. Paproski): May I ask whether we are going to have the pleasure of a 20-minute speech or a 10-minute speech from the hon. member for Burin—St. George's?

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I believe I can say what I want to say in 10 minutes. That might come as a surprise to you, Sir, but I will do my very best.

I suppose it is appropriate that the last two Tories who spoke scattered from the chamber very quickly, particularly the gentleman from Jonquière who puts on a very brave front. He is probably still within the hearing of my voice and I want to say to him before he disappears altogether that I admire him for his ability to put on a brave front. I caution him, however, that he ought not to carry that too far because nobody is believing the Tory line on this issue. This Bill C-28 is a disaster from the word go, and the less he talks for the record, the better

for him down the road, assuming he has a place down the road.

• (1220)

I want to come just for a moment, to the gentleman from Edmonton Northwest because I found what he had to say to be among the more interesting, if incredible things, said in this debate thus far. I watched him single-handedly bear that public debt for all of Canada and my heart went out to him, that this young man, as virile as he is, should have to carry alone that load of many millions and billions of dollars. carrying it all by himself.

I would like to ask him where he was last November when his Prime Minister and his Minister of Finance were out campaigning, completely ignoring any possibility that there might be a debt load or that it might be crippling the country as we are now being told and, instead, were promising all kinds of things in the billions of dollars. When they were confronted with the possibility that maybe this would cost a few dollars or this might only be election time promises which would be forgotten after, we remember the immortal words of the gentleman who was the Minister of Finance: "These are not even promises, these are spending commitments. We are going to do these because it is within our budgetary framework and our fiscal ability to do them".

That was in November. Now it is the following October. It is hardly a year since and what are we told now? We are told that this nation is grinding to a halt because of the debt. Well, which is it? Is it in good shape as he told us last November, or do we have to attack seniors and families now to claw back every last cent we can to save us from grinding to a halt completely as a country? Which is it? Is it the story we were told last November that everything was hunky-dory or is it the story we are being told now by the gentleman from Edmonton Northwest, he who carried single-handedly that great debt on his own very shoulders this morning?

If they want to be able to meet their spending commitments, as the minister characterized them last fall, if they want to find a few shekels to better finance the public debt, let them do something that is completely within their power, without attacking the widows and the seniors of this country, without clawing back money that people have come to regard as part of their entitlement right back to the 1970s, as the other gentleman from Edmonton Southeast so rightly pointed out just now.

People in the 1970s made certain investments and they ought to be able to count on the return on those investments now in 1989 and years down the road. My point a moment ago was this, if they want to find a few shekels to better finance the public debt, let them do something that is within their power to do. Let them lower the interest rate one-half point or a point. Why is it that in every other matter, we have to be cheek by jowl with the Americans, but on the matter of interest rates, we have to be four points ahead of them?

If they want to ease the public debt situation, the ability to meet payments, they can cut down the payments substantially by lowering the interest rate. They would, in the process, not only eliminate a lot of pain for the government but for a lot of people who are suffering under this high interest rate inflicted by this government or aided and abetted by this government at the very least.

Now the gentleman from Edmonton Northwest also talked about fairness. In courtesy to him, I did not completely laugh out loud, but when he talks about this issue in terms of fairness, he might as well also try and tell us, yes, that Dracula is really a nice fellow.

Old age security is now a fair system. Anybody who tampers with it, as this bill would do, cannot in the same mouthful pretend that he is doing it in the interest of fairness. There is nothing fair about this exercise whatsoever.

This claw-back of family allowance and pensions—we should see it for what it is—is simply and despicably a foot in the door approach. This is just the beginning. Seniors realize this and that is why we are beginning to hear from them again on this particular issue. They saved the issue the first time around when the Prime Minister went back on his now famous sacred trust commitment. In 1985 he tried to go back on it and the seniors saved it. I am depending on them again to save it this time.

They are already mobilizing the so-called grey power out there. They are mobilizing, bless their hearts, and they are going to save the day for us on this one because they see it for what it is. It is not just a claw-back on

incomes of $50,000 and over, no, it is more than that. It is the foot in the door.

What guarantee do they have, they ask me as I travel around this country, that the $50,000 will not be $45,000 and then will not be $40,000 in another year. Of course, with inflation and the ever increasing cost of living, $50,000, even if it were frozen there, will not be worth quite what it is now a few years down the road.

What guarantee do my people in Belleoram, Beaubois and Barachois Brook have that the $50,000 will not be $40,000? I am delighted to mention Belleoram because I see right in front of me the gentleman from Labrador who had the good sense to be born in Belleoram.

Why then are the Tories doing this? Why this bill at all, why the claw-back? What is this all about? I submit to you, Mr. Speaker, that like almost everything we are seeing in the House these days, whether it is VIA Rail or the sabotaging of job creation programs or the UI changes or the GST or the ruling yesterday on the west coast fishery, it is all part of the same right wing agenda, it is all part of the same kotowing strategy with the Americans.

Do not forget that the Prime Minister's *curriculum vitae* basically is that of being a branch plant manager for an American multinational. He really never stopped being that when he became the Prime Minister. Instead, he just set about making the country a branch plant operation. We see it here, as insidious as it is, it is here too.

He is aware, and it has been pointed out to him many times, that our social programs, medicare, family allowance and old age security net are much more adequate here than in the United States. The senior who lives in Michigan has not the same support system as the senior in Manitoba. The senior who lives in New Hampshire has not the same support system from the public purse as does the senior who lives in Newfoundland.

It is all part of the old level field commitment that the Prime Minister made to the Americans. "Give me time", he said in effect, "Give me time and I will beat my crowd down to your level. My medicare, my pension, my family allowance will be as measly as yours if you give me time to work on it". This bill is just the latest cowardly manifestation of that gentleman's agenda, an agenda that will reduce us to a branch plant, a shadow, if you like, of what is happening in the United States.

• (1230)

There are a thousand other reasons which I will not go into because I gave the Chair a commitment that I would finish in 10 minutes to allow some others to speak. I thank you, Sir, for your indulgence. I feel strongly about this issue and I urge my colleagues to vote against it for the sake of the seniors across the country.

Mr. Jordan: Mr. Speaker, I would like to congratulate my colleague for another display of great oratorical skills for which he has become famous. I have a simple question. I know there is no point in presenting this to members opposite; I would not get the answer.

This new tax was supposed to be up front. To me a primary way of having something up front would be having it visible on the sales slip. I understand this will not be on the sales slip. It is hard to believe that every speech we have heard this morning from the opposite side of the House seems to suggest that this is going to be implemented to reduce the deficit. It was supposed to be revenue neutral, but now it is obvious that that cause has been abandoned. It was supposed to be simple, but I can tell you, Sir, that any small businessman is going to be driven completely around the bend on this one.

I wonder if my colleague would care to comment on those three basic, simple rules which were supposed to be held in place but have been totally abandoned.

Mr. Simmons: Mr. Speaker, I want to thank my colleague for Leeds—Grenville. He is so right, of course. Whether we are talking about the clawback on pensions and family allowance or about the goods and services tax, we can see the same pattern. The pattern is one of smoke and mirrors. It is one of we will say we are doing this, while we are really doing that—we will say to pensioners in 1984 that we would never, never tamper with old age pensions and then in the spring of 1985 we will go out and try to do it; we will say to the voters in the fall of 1988 that if we ever have a goods and services tax, I assure you it will be revenue neutral and it will be visible on the sales slip. Then a few months later when push comes to shove, when it comes time to get the

legislation before the House, all the talk of visibility is gone, all the talk of being revenue neutral is gone.

We will say to voters when we are looking for their votes in 1984 that we will not only protect and preserve VIA Rail, we will enhance it; but when it comes to the crunch in 1989 of course we will do the exact opposite.

The Prime Minister will say here in the House that we are fighting to save VIA Rail. When we get to Hong Kong we will have a slip of the tongue and we will tell the truth, say we are getting rid of VIA Rail back in Canada. We will say to people in 1984 on the television debate: "Is not patronage awfully shocking?" Then, we will get aboard the plane with the press boys and let our hair down and say: "I would do the same thing if I were there at the time".

That is what we are dealing with—unabashed, bare faced hypocrisy. We cannot believe a word the Prime Minister tells us. We cannot believe a word the Minister of Finance tells us on THIS issue, and that is what makes this bill on clawback so frightening. Even as dastardly as this reality is, we never know if this is only half the punch we are going to get because we never know what this crowd is going to come up with next.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Before I recognize the next speaker, may I ask the hon. member for Mission—Coquitlam whether her speech will be a 20-minute or a 10-minute one.

Ms. Langan: It will be 20 minutes, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Then I will have to recognize the hon. member for Nepean, and following her I will recognize the hon. member for Mission—Coquitlam.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am very grateful for the chance to rise today and speak on Bill C-28, an act to amend the Income Tax Act and the Old Age Security Act. There are 59 different amendments to the Income Tax Act and I could not possibly discuss them in the time allotted. Hence, I will confine my comments to the way in which this government has dealt with the senior citizens of this country.

The clawback proposal puts a special tax on our senior citizens, a tax that does not apply to anyone else in this country. In this way the clawback is anti-senior. I am one who feels that the senior citizens in our country deserve our utmost respect. This government's proposed clawback are the ultimate signs of disrespect.

Beginning in the fiscal year 1990-91 the government will effectively end universality of social benefits in Canada. People who bought and paid for old age securities in the years before 1971 were assured by the House of Commons in debate, when tax reform went through in 1971, that they would continue to be entitled to old age security.

Income Security for Canadians, a document put out in 1970 by the Department of National Health and Welfare and the Hon. John Munro, promised seniors in this country that any payments they were to make into old age security were theirs.

Today we are hearing that in a couple of years from now no longer will those same seniors be allowed to keep the money that they paid in so that they could look after themselves in their old age. Now these same senior citizens are finding that rather than the government looking after them they have to look after the government. This is an absolutely disgraceful situation.

In 1984 the Prime Minister said that social programs were a sacred trust, never to be tampered with. Well, he lied. And those same seniors told him he lied, right here on Parliament Hill. I say that we Canadians are beginning to realize just how loose the government is with the word "trust". We Canadians are beginning to realize just how little we can trust this government.

This government's proposed clawback of old age security is just one example of many showing how this government does not have the best interests of Canadians at heart.

The Acting Speaker (Mr. Paproski): May I ask the hon. member to repeat. Did the hon. member say that the Prime Minister lied? Did she indicate that in her speech? If she did then she knows what she must do.

Mrs. Gaffney: I am sorry, Mr. Speaker, I will withdraw the comment. The proposed clawback will tax the benefits of old age pensions at a rate of 15 per cent of an individual's net income over $50,000, rising to 100 per cent for incomes reaching $76,000. The government says that this will affect only 4.3 per cent of seniors.

As I pointed out in the Nepean *Clarion*, this is but the tip of the iceberg. Because the $50,000 threshold is to rise at a rate of 3 per cent less than inflation, clawback will start at $36,000 by the year 2000, and in 20 years it will start at $28,000 and affect 2 million Canadians.

These same Canadians were the ones who did without in their early years when their children were small. They did not take the trip to the southern climate. They did not buy the new car. They put that money away. These were ordinary people on an average income who were saving for the day when they could take that holiday or purchase that new car, and now that money has to be given back to the government. It is their money.

In an August 1989 article in *The Voice*, a bulletin by the Canadian Seniors Network, the whole concept of the clawback is summed up perfectly. The article reads:

> The finance minister argues that since everyone receives a cheque the program is still universal, but if you give someone a cheque and take it back a year later that is no more than a short-term loan.

How right they are; a short-term loan. What a disgusting sign of respect for our seniors. Unfortunately the government has refused to take into consideration the recommendations made by the people, and as far as the government is concerned the people do not matter.

Senior citizens in this country have played an integral part in the building of this nation. They have toiled to make Canada the greatest nation on earth. Yet, what does our present government do to show its appreciation? It strips those same senior citizens of everything they have worked for. This government has spit in the collective face of our senior citizen population.

Last year during the election the Prime Minister of this country made repeated promises to keep these benefits for the elderly when he said: "As long as I am the Prime Minister of Canada social benefits, especially those for the elderly, will be improved, not diminished by our government." The Prime Minister of this country made that statement.

I suppose the Prime Minister thinks that clawing back money from our seniors is an improvement in their welfare. What other kinds of mixed up ideas is this government going to introduce? It slashes VIA Rail by 51 per cent and claims to be saving it. It proposes a tax that is supposedly revenue neutral, yet it will raise $24 billion in 1991. Scary proposals.

• (1240)

The clawback to the seniors of this country strikes a severe blow to the programs. It cuts at the quick of Canadian universality, the universality that has been a unifying force in our country, a country that prides herself in being the most successful in the world in taking care of her citizens.

This government has been undermining that approach. It has increased the gap between the haves and the have nots, between the young and the old. It is imperative that this government listen to Canadian citizens and eliminate the clawback.

I would like to quote from Robert Choquette of the French Canadian Academy. I think that he put it extremely well when he wrote:

> It excites me when I think of millions of men and women—different from me and different from one another in origin, language, culture, history and tradition—who, too, think of Canada as their country. And I love the thought that everyone, or almost everyone, has always wanted her to be greater still, more beautiful, more confident of herself and her destiny. Those who discovered Canada felt that way. So did those who came later and toiled to develop the broad expanse waiting for plough and people. So did those who continue to arrive on her shores—because they have faith in her, because for them and for their children, Canada represents security and freedom and is the best answer to their hopes.

We must strengthen that security, not diminish it as this government and this bill are attempting to do.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I would like to open my remarks by suggesting that the hon. member for LaSalle—Émard and the other hon. members in this room might like to talk to Stanley Knowles about the struggle and the fight for pensions in this country. They should think about the history of pensions in this country and they should think about why we have universality in this country. These are all major improvements. Universality in this country took place only after a minority government was forced by New Democrats to introduce it.

I would like to think about the year 1926 when Mackenzie King introduced a pension plan, $20 a month with a means test. If a senior had any savings at all, no pension. I would suggest that the Tory government today is following in that Liberal tradition and moving us back to the means test, back to the kind of pension that you get if you happen to meet a means test. I think hon. members in this room have expressed their respect for

Stanley Knowles and those who went before him by naming him, after 40 years of dedicated service and a sustained fight for good pensions in this country, an honorary officer of the Chamber with a seat at the table.

This legislation flies in the face of that parliamentary struggle, that parliamentary tradition, for which Stanley Knowles stands. This legislation with a claw in the door is a clawback on universality not only in pensions but in family allowances. The hon. Minister of State for Employment and Immigration and Minister of State for Seniors, in the question and comment period, talked about talking to seniors' groups which agree with this legislation. Yet when I challenged that statement last spring and asked the minister to name one, she was unable to do so.

I named in a statement in this House a long list of seniors' groups which oppose this clawback, and I would hope that before this legislation is indeed passed into law, sadly, that the hon. Minister of State for Employment and Immigration and Minister of State for Seniors could give us a list of the seniors groups which indeed support this legislation.

Last spring when this budget was introduced I was so alarmed by what the inference of the clawbacks was that I asked the Minister of Finance to explain to us whether he believed that, while 4 per cent of people have their pensions clawed back today, it is acceptable that in 20 years 25 per cent of people will have their pensions clawed back. His response was that the government would be reviewing the situation and that "we are acting when it is appropriate".

I would suggest that today, based on this legislation, we are indeed reviewing pension programs. In this instance the review is a backward step, a nasty step, a grabby step, and a step that should put all seniors in this country on their guard that their pensions will be continually eroded.

I asked the Minister of Finance, if we are talking about a vague review, how do we as Canadians know which way he is going to review it? The clawback that is being proposed is like quicksand into which more and more elderly Canadians are about to sink.

My question was: Is it acceptable to the minister that in 20 years one in four Canadians would be caught in that quicksand? His response was: "No, it is not acceptable". Yet the projection based on this legislation is that it is what we will be facing 20 years hence.

The hon. member from Edmonton Northwest said during the question and comments that obviously having a $50,000 a year income meant that one was operating with a substantial tax base and a substantial income base. Yes, indeed it does today, but the projections again show that by tomorrow—tomorrow meaning 20 to 25 years from now—we will be faced with over a million Canadians who are eligible today for old age pensions, who would not be eligible under this proposal.

I was so concerned about this—not only from the point of view that over a million Canadians would be faced with this in 20 years but also from the point of view of a two tier system or a breach of the universality to which Canada is committed—that I went to the Library of Parliament and asked if indeed under the Canadian Charter of Rights and Freedoms this piece of legislation would be acceptable.

The letter I received back from the Library of Parliament quoted subsection 15(1) of the Charter which reads:

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

The letter that I received back went on to say:

> It is possible to argue that a separate system of taxation for Canadians aged 65 and over is discrimination based on age as one segment of the population would be treated differently from the rest, solely on the basis of age. However, there is an argument to be made that even if such a system is discriminatory it is justified.

I would expect that the government based on the legislation it has introduced would be trying to argue that this is justified under the Charter of Rights and Freedoms. Many Canadians and I believe that the Charter is very, very clear and very explicit on this point.

Proponents of the budget could argue that the purpose of old age security payments is to assist lower income Canadians. The whole basis on which our Canadian pension system is based is that it is there for all Canadians when they reach a certain age. It has nothing

to do with what their income is. With a progressive tax system, those who earn enough would be paying their fair share of taxes in an equitable way and those who are not would receive the full benefit of the pension.

• (1250)

Many of the speakers today have referred to the comments by the chairman of the finance committee about seniors. He said that they live at a slower pace and they do not spend money in the same sense that you and I do. Well, I guess if you do not have as much money as Members of Parliament have, you do not spend as much. He said that older people do not wear out their clothes. Is there some magic fabric that older people have in their clothes so that the clothes do not wear out? He said they do not wear out their furniture. Do older people have some kind of levitation that they do not actually sit on the furniture when they are sitting down, Mr. Speaker? Of course older people wear out their clothes, of course their furniture wears out. The difference is that older people do not have the disposable incomes that you and I have to replace those things so they do not spend as much money. I think it is absolutely shameful that a Member of Parliament should flaunt his good fortune at the expense of the seniors in our country, belittle them and suggest that their needs are not as great because they have achieved a certain age.

The Tory government knows that seniors, because of the very fact that their incomes are less, do not have the means to fight back. However, they have the network and they put that network together in 1984. But, Mr. Speaker, it is hardly fair that the seniors in this country should have to fight the same fight every four years. I would suggest that the government ought to rethink its introduction of this legislation and rethink the kinds of commitments it has made during election periods to the seniors of this country.

I would like to talk for a couple of minutes about how the clawback is really going to work. A worker earning $40,000 a year today and watching his or her income rise with inflation would be earning enough by the time he or she retired to be caught in the clawback for both pensions and family allowance.

For retirees the clawback is more complex, it phases in more slowly,. but a simple rule of thumb is that a worker who earns at his or her age, say a 28 year old worker earning $28,000 or the average industrial wage, will be hit by the clawback by the time he or she retires. This assumes that incomes keep pace with inflation and that retirement income is 70 per cent of pre-retirement income.

If the government is successful, through the free trade deal and other economic factors in keeping workers' wages well behind inflation, then I would suggest that possibly as many pensioners as I am predicting will not be caught in the clawback. But that may suggest yet another piece of the over-all agenda of this government when it comes to working people, retired people, women and children and, in particular, those who are disadvantaged.

The implication is that the clawback of these social benefits will hit average income earners, not just the rich, in a very few years. Average Canadians will lose the benefits of the social programs that make us distinct from the U.S. More and more of our social programs will become poorer and poorer and more targeted and available only to those considered to be in need.

I suggest it is a very, very clever strategy on the part of this government to introduce this legislation by going after those who earn $50,000 or more. Of course we all say people who earn $50,000 or more should be paying taxes. But what the government does not say is how that projects, and who is next, and who is next and who is next. I would suggest that it is the same kind of philosophy that introduces amendments to the unemployment insurance bill, the inference of which is that we must change this, we must get those lazy people to work one or two more weeks before they go on to this program, and that most workers indeed somehow fiddle the system.

It is very clever strategy. It is strategy designed to bring out the worst in all of us, to bring out that in us which says, "I am working hard, why is he or she not?", without ever putting ourselves into his or her boots. I would suggest that these clawbacks on the pensions and the family allowance indeed are indicative of the kinds of over-all policy which the government has.

On family allowances, the proportion of families affected by the clawback will be more than double in 10 years. On old age security, the Minister of Finance likes to point out that his clawback will affect only 4 per cent of seniors. I repeat that in 10 years the number of pensioners seeing at least part of their old age pension clawed back will be one in 12, or 30,000, and in 20 years it will be one in four, or one million pensioners.

I think there are some fundamental questions that must be asked about this legislation which Canadians will be asking. They will be asking, why should an individual be entitled to receive $100,000 in capital gains, tax free, but lose the $4,000 he or she gets in old age security simply because it was paid as a universal social benefit? About family allowances and old age security, Canadians will be asking why the government is introducing a new tax when they are already taxed. Why should a special tax be levied on children and on the elderly?

Mr. Milliken: They are vulnerable.

Ms. Langan: They are vulnerable. That is exactly why.

Canadians will be asking if the intention is to raise money from the rich, why not do it through a more progressive tax system instead of a super tax on children and a super tax on seniors? Why not raise marginal rates at the top to 32 per cent instead of taxing back family allowance and old age security?

Canadians will be asking what will the unique identity of Canada be in a few years when our social programs exist to serve only those in need? Will our social programs not be just like those in the U.S.—leaner and meaner, as all means-tested programs are?

Canadians will be asking how long will the population support the maintenance of social programs from which they are effectively excluded as beneficiaries? Canadians will also be asking will need be redefined downwards as it has been in Britain and in the U.S. and as it has already been with our UI program and other welfare programs?

Many hon. members before me have quoted the Prime Minister's comments on CP wire on March 7 when he said: "Our position is simple and straightforward. We are in favour of universality in social programs and it shall not be touched". Another remark, almost equally as famous, made on October 15 in Summerside, P.E.I., was "As long as I am Prime Minister of Canada social benefits, especially those for the elderly, will be improved, not diminished by our government".

Has the Prime Minister lost control? Has he lost control of the government? I wanted to believe him. The pensioners and the parents in this country wanted to believe him. They even were willing to believe him after the 1984 election when he attempted to mess around with the pension program. But I suggest that although Canadians have now given him a second chance, a third is not likely because actions speak louder than words and this government's actions have very clearly demonstrated that the things the Prime Minister said mean nothing.

The Acting Speaker (Mr. Paproski): When we return after three o'clock, the hon. member will have 10 minutes for questions and comments.

It being one o'clock I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

VIOLENCE

Mr. George S. Rideout (Moncton): Mr. Speaker, I want to raise the concerns of the citizens of Newcastle, New Brunswick and in fact all New Brunswickers who are in a state of panic due to the series of violent deaths which have occurred there in the last few months.

These crimes have been most violent and most heinous. I understand the RCMP has assumed control of the investigation of these murders, but on the basis of the information that I have been given the RCMP has been extremely short staffed in New Brunswick due in part to its new peacekeeping role.

I am further advised that some members of the force who have an intimate knowledge of Newcastle, New Brunswick have not been utilized in the investigation due to the lack of available personnel.

I urge the minister to commit the additional staff necessary to carry out a full, complete and expeditious investigation immediately.

* * *

THE ENVIRONMENT

Mr. Stan Wilbee (Delta): Mr. Speaker, I am delighted with the appearance of the blue recycling boxes provided to all our offices in the House. However, I do believe that it would be much better if much of the material placed in the baskets was never produced at all.

In this time of severe budget deficits I call on every government department and agency to determine if their printed material is absolutely essential.

I believe we could all help save money, paper, the forests and energy by reducing the paper load produced by all levels of government. By doing so we can help reduce the threat to our increasingly fragile environment in a very practical way, as well as help solve our deficit problem.

* * *

EAST TIMOR

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, one of the items that is always on the agenda of Commonwealth parliamentary meetings, and indeed when leaders of the Commonwealth get together, is the whole concern with respect to further decolonization.

What I would like to do today is call on the Prime Minister, while he is in that part of the world in Kuala Lumpur, to change the Canadian policy with respect to the colonization of East Timor by Indonesia, something which happened in the mid-1970s and about which Canada has been embarrassingly silent out of respect for our economic interests in Indonesia. I think it is time that this sort of thing came to an end. If we are against illegal occupation of one country by another, if we are, indeed, against genocide, as it has sometimes been called in East Timor, we ought to be against it in every case.

The Canadian record with respect to the Indonesian occupation of East Timor has been a disgrace. I call on the Prime Minister at this point to change Canadian policy, to denounce colonization and terror and genocide wherever it occurs, and particularly at this time in East Timor.

[*Translation*]

NATIONAL UNIVERSITIES WEEK

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, last Wednesday, I had the honour, with the Minister of State for Science and Technology (Mr. Winegard), to give out federal scholarships to university students of the Ottawa-Hull area to launch National Universities Week. This year, 3,400 two-thousand-dollar-scholarships will be granted to students across the country in science and technology related fields; 51 per cent of the recipients are women. These students will have a role to play in the future of our country since they will be tomorrow's researchers and as such, will help Canada compete in the world market. On behalf of the government and myself, I wish to congratulate the recipients and wish them the best of luck in their studies.

* * *

[*English*]

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, the Prime Minister has told Canadians of the importance of our education system, how it will determine our competitiveness in the world, and how we must ensure first-class education for Canadians.

Despite the Prime Minister's rhetoric, the Conservative record on education is shameful. There have been deep cuts in transfer payments. There have been reductions to training and retraining programs. There have been no increases in student aid amounts. The application of the goods and services tax will include books and other learning materials. There has been embarrassingly little support for literacy.

There has been the capping of funds for the post-secondary education of natives, the elimination of the postal subsidies for scholarly journals, and the abolition of the citizenship instruction and language textbook agreement.

On Friday, October 13, I held a press conference at which I announced a challenge to the government and its ministers to discuss and debate these issues with me

across the country. Canadians want these discussions. Will these ministers participate?

* * *

NATIONAL INFECTION CONTROL WEEK

Mr. Bruce Halliday (Oxford): Mr. Speaker, I am pleased to announce that this week, October 16 to October 20, has been proclaimed National Infection Control Week in recognition of the many health care professionals who have worked to prevent the transmission of infectious diseases in health care facilities and community based institutions.

The purpose of this week is to focus public and professional attention on both the seriousness of nosocomial and community infections and on the measures that can be taken to reduce them. I particularly applaud the efforts of the community and hospital infection control association in Canada for their efforts in sponsoring and organizing this week across Canada.

Nurses, doctors and other health care workers have long been aware of the problem and of the need for wider application of the effective infection control measures. Scientific evidence has shown that simple measures such as proper hand washing when used by everyone can reduce the spread of infection. Infection control practitioners, community health agencies and others are invited and encouraged to join CHICA Canada in promoting activities which will enhance infection control.

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SOUTH AFRICA

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, it is said that a man selling doughnuts will boast about the size of the doughnuts, but the customer will consider the size of the hole.

This should be remembered when the Prime Minister tries to sell us a claim of victory for Canada's sanctions against South Africa. The hole is a big hole—the 80 per cent increase in Canada's trade with South Africa and Canada's resistance to supporting stronger sanctions.

South Africa's new velvet glove and the release of prisoners could be nicely timed to strengthen Thatcher's hand and weaken Canada's already timorous resolve at the Commonwealth Conference.

De Klerk may be simply a good card player. The Prime Minister should remember what Kenny Rogers sang: "Don't count your money while you're sitting at the table. There'll be time enough for counting when the deal is done".

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[*Translation*]

HERITAGE

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, last night the Saint-Férréol-les-Neiges Development Corporation received the Alphonse Desjardins Prize in the "Culture and Heritage" category. The Desjardins Movement thus recognized the remarkable work done by the Corporation to develop the site of the Sept-Chutes hydro-electric plant, a heritage and environmental location that nearly 50,000 people visited this summer.

Like my fellow citizens, I am very proud of this recognition because, as Corporation President Germain Tremblay said, the Government of Canada got the project going. Since 1984, our Government has spent nearly $450,000 through employment programs in Sept-Chutes.

I would like to pay tribute today to Germain Tremblay, Jean-Guy Huot, Claire Boulay and all their team for their wonderful work and I encourage them to continue for the people of Saint-Férréol-les-Neiges and the riding of Montmorency—Orléans.

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[*English*]

NATIONAL UNIVERSITIES WEEK

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, this week is National Universities Week when we celebrate all the great things our universities do for their community, their province and their country.

The University of Prince Edward Island contributes greatly to my province and, with its new vet college, to Atlantic Canada as well. The continuing presence of the University of Prince Edward Island allows young men and women in the province to get a high quality education. A well educated workforce allows Prince Edward Island to develop as a province and to reduce its dependency on the federal government.

But by cutting funding to the provinces and to students, the federal government is condemning provinces like Prince Edward Island to a future of dependency and students to a future of debt. Education is a top priority for Islanders and I urge this government to show that it is a priority for it as well.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. John A. MacDougall (Timiskaming) Mr. Speaker, in its submission to the House of Commons Standing Committee on Finance, the Mining Association of Canada made it known to the government that the membership supports the introduction of the GST.

Speaking for the mining community, this association sees that the new GST as a good measure. The bottom line is that mining industries which depend on the exporting of their products will benefit from the tax reforms put forward by this government.

• (1410)

MAC favours our tax policies because they ensure that the burden of taxes and the royalties is consistent with that in other industrialized, mineral producing countries; that taxes do not discriminate against Canadian exporters and in favour of importers; that the cost of tax compliance for industry and of administration by governments are kept reasonably low.

MAC recognizes that today's tax reform decisions made by the federal government will affect the health of the Canadian mining industry tomorrow. Its concern and our concern is to see the goods and services tax implemented and our current tax policies corrected, for the betterment of the mining sector and of individuals across Canada.

* * *

DALY BUILDING

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, almost five years ago the National Capital Commission announced plans and issued a contract to redevelop the Daly Building located at Sussex and Rideau Street here in Ottawa. Incredibly the start of construction on the 84–year old building is still months away.

The loss of revenue alone from tenants who should have been in the building long ago is staggering. I cannot even begin to estimate how many potential millions have been lost. I understand that problems have arisen, but for a government which claims to be the champion of fiscal restraint it is only the proving yet again that it is only the champion of rhetoric and overspending.

This fiasco must be stopped. Someone has got to put his or her foot down and take charge of the situation. I suggest that the Minister of Public Works do this. Enough time has been spent; enough money has been squandered. The NCC should put its helmets on and get into the game.

It is high time construction began so the job can be finished and we can begin making, instead of foolishly wasting, taxpayers' money.

* * *

TAX REFORM

Mr. Pat Sobeski (Cambridge): Mr. Speaker, no one likes taxes any less than I do. I know that a large number of Canadians has already made important sacrifices to help keep the deficit under control. Together taxpayers and this government have made progress, but we still have some way to go.

The first part of sales tax reform is to remove the existing federal tax on manufactured goods. Many Canadians are unaware that since 1924 the federal sales tax has been buried in the price of every good and service produced in Canada and consumed by all Canadians. It taxes foreign made imports one–third less than it does Canadian domestically made products.

What sane country would allow such an arrangement to continue at the age of 65. It is time for the MST to retire. Then and only then will we establish the goods and services tax.

Under the GST Canadian exporters will create new jobs. Economic growth will improve living standards and contribute to bringing the deficit down.

I ask you to think about the entire package. The bad old tax out, the GST in, together with all the important fairness measures.

S. O. 31

PETROLEUM INDUSTRY

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, last week I spoke of the ill effects of deregulation on northern Canadian communities with specific reference to skyrocketing air fares.

This week I learned that American aviation fuel is being shipped from Michigan into Canada to service Canadian aircraft, namely, Air Ontario.

If this is an isolated case—and I believe it is not—Canadian jobs are at risk for those involved in the petroleum industry. Why would Air Ontario do this? The vice-president tells me that it is to cut costs.

Pass it on to the consumers? No way. To add insult to injury and at the expense of safety, our harmonious laws permit Canadian A-1 fuel to be replaced with American A fuel. The difference is simple but frightening. American fuel freezes at minus 40 degrees; Canadian fuel freezes at minus 47 degrees. What is the supposed solution? Put in an additive just like we do in our cars.

Canadians should not have to accept American fuel nor American standards. I ask the Minister to investigate this unacceptable situation immediately.

* * *

[*Translation*]

POLLUTION CONTROL

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, yesterday, at a press conference, the Minister of the Environment announced that the federal Government intends to spend $150 million in pollution control projects, including $100 million to clean up some 50 hazardous waste disposal sites for which the owner is unknown, cannot be found or is bankrupt.

Mr. Speaker, this announcement by the Environment Minister is very important for the people of my riding, especially in Mascouche. The Mascouche disposal site was given as an example in reports on the TVA network last night. I can tell you, Mr. Speaker, that my constituents are pleased with this decision, this announcement because it is a step forward; it is concrete action for environmental quality and for future generations.

I want to tell the Minister of the Environment and the House that I am fully satisfied with this announcement and I hope that the provinces will follow along at the Environment Minister's Conference this week in Charlottetown.

As for our friends opposite, who reacted to this announcement by saying it was too little too late, I will just tell them that for me and the people I represent, it is never too late and that it is much more than they did when they were able to do something.

* * *

HOUSING

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, the Liberal task force on housing, co-chaired by the Hon. Member for London East finished its cross-Canada tour of nine cities yesterday.

Nearly 70 associations submitted briefs to the task force, and it was apparent that all regions in Canada, without exception, were experiencing severe housing problems.

Whether we are talking about availability, access, the homeless or the fact that it is becoming increasingly difficult for Canadians to enjoy a right that should be theirs as a matter of course, we cannot ignore these problems.

[*English*]

It is unacceptable in a country such as ours that there are 1.3 million families living in unsustainable housing.

Since taking office the Conservative government has drastically cut budgets and programs. It has abandoned its responsibilities and has generally turned a blind eye to Canada's housing crisis. The new sales tax is clear evidence of this. It has made a very bad situation all the worse.

[*Translation*]

From our hearings across the country it was apparent that there is no federal leadership in this area today.

[*English*]

Lack of decent housing is a root cause of poverty. You may rest assured that it will be a principal focus of our report.

ABORTION

Mr. Gus Mitges (Bruce—Grey): Mr. Speaker, I would like to put on record a short letter from Mrs. D. Simons of Orleans, Ontario, concerning abortion:

> I'm ashamed to be a woman. I'm disheartened by how irresponsible, cold-hearted, and extremely selfish we have become. Led by the "women's movement", we have convinced ourselves we are not the loving, caring, nurturing beings we are by nature. We have convinced ourselves that the child in the womb is not a person worthy of respect. Were we not all a foetus in our mother's womb? Are we not the same persons we were then?
>
> No matter how bad a woman's situation may be, she can survive, and help is there for the asking.

Mrs. Simons went on to say:

> Most abortions, however, are done because the pregnancy is an embarrassment or inconvenience. Is nine months really too much to give for the life of another? Is killing your baby better than giving her to a couple who will love her as their own? Give the baby a "choice" and I'm sure she will choose life.

She concluded by saying:

> I beg women to find courage to take responsibility for their actions and not take the easy way out.

ORAL QUESTION PERIOD

[*English*]

FISHERIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Fisheries and Oceans about the decision of the trade panel on salmon and herring.

According to the joint statement by the Minister of Fisheries and the Minister for International Trade, and I want to quote that statement:

> The Panel has accepted the legitimacy of Canada's position—the Panel has fully recognized that it is the sovereign right of Canada to decide on particular conservation policies—

So said the minister. I do not know what decision of the panel the minister has been reading. I read it carefully this morning. My copy states: "The present Canadian landing requirement cannot be said to be primarily aimed at conservation. Therefore, Canada's landing requirement is incompatible with Canada's obligations under Article 407 of the trade agreement".

Does the minister have a different decision than the one that was issued by the panel, or is he relying solely on the opinion of his colleague, the Minister for International Trade who admitted to this House that he had not read the trade agreement under which the decision was made?

Having signed the deal and set up the process under which the west coast fisheries industry has now lost an important decision, why does the minister not have the courage to admit it to the fishermen of British Columbia and the country that his government blew the whole damn affair?

• (1420)

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I am pleased to answer the hon. Leader of the Opposition. The panel clearly upholds the sovereignty of Canada's fisheries legislation in giving to the Government of Canada and the Minister of Fisheries the authority in the final analysis to set quotas and to establish regulations from the perspective of conservation of this resource.

If the hon. member had properly read the completion of the panel finding which Canada, by the way, has not yet accepted—we have 30 days to review this question.

Mr. Axworthy (Winnipeg South Centre): It is not that good.

Mr. Siddon: I would ask the hon. Leader of the Opposition to read the panel report, clause 8.02 sub. 2, where it states:

> The Panel was also of the view that Canada could bring its landing requirement within Article XX (g) of the GATT, by structuring it along the lines described in paragraph 7.40.

Furthermore, if the hon. member would read from page 37 of the report—I think it is important that the House have this complete clarification—let me quote:

> The panel agreed with Canada's position that a state could not be obliged to make its fisheries conservation and management regime dependent on co-operation with another state.

Mr. Turner (Vancouver Quadra): Mr. Speaker, yesterday the minister cried "victory". Now he says he has not finally accepted the decision.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): If you read the trade agreement with the United States, Articles 407 and 408, you will know why we lost. We gave up our right to impose an export tax which would have allowed—

[*Translation*]

Mr. Speaker, under the Free Trade Agreement, Canada, as I said just now in English, gave up its right to impose an export tax on raw fish. That is the reason for this Government's present problems. Before the FTA, Canada would have been able to take steps to protect the thousands of fishermen in our Pacific and Atlantic fisheries. Today, however, we must abide by the decision of a free trade panel, a decision that was not in our favour.

During the election campaign, the Minister of Fisheries and Oceans promised our fishermen they would be protected under the FTA. What does the Minister have to say now to thousands of workers on both coasts who are going to lose their jobs in fish processing plants?

[*English*]

Mr. Siddon: Mr. Speaker, the hon. Leader of the Opposition speaks of protection yet he is supposedly a free-trader having embraced the principle of adherence to the General Agreement on Tariffs and Trade—

Mr. Axworthy (Winnipeg South Centre): You gave up the tax, dummy.

Mr. Siddon: —and, therefore, agreeing if he were, God forbid, to be leader of this government that he would accept rulings of the GATT as we did with regard to our former unacceptable and discriminatory export restrictions.

The hon. member cannot speak out of both sides of his mouth at once.

Mr. MacLellan: Listen who is talking.

Mr. Siddon: In fact, this free trade panel has adjudicated on a question of conservation and management and upheld the sovereignty of Canada in making those final decisions with regard to determining fisheries regulations and quotas, and that is a great gain for Canada.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the minister does not yet understand that our sole remedy under the GATT was the export tax which his government abandoned under the trade agreement with the United States. That is why we have this problem.

On November 17, 1987, in Richmond, British Columbia, when questions were put to him by union representatives and members of the industry, the minister stated categorically, and I quote: "I give you my assurance that those jobs are safe". Those were his words as he referred to the workers in the fish processing industry on the west coast.

Yesterday, his response to the same question from a journalist about the same jobs was this, and I quote him again: "It is really not appropriate that you ask such an over-simplified question and expect a categorical answer".

Well, Mr. Speaker, two years ago he guaranteed that those jobs would be saved, now he says, "don't ask me, it is too complicated".

Why did the Minister break his word or is this question too over simplified for him to answer?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the question is certainly over simplified coming from where it arises.

Some Hon. Members: Oh, oh!

Mr. Siddon: But I can certainly answer the question. In the free trade era we are seeing untold increases in the numbers of jobs in Canada and in British Columbia.

Some Hon. Members: Hear, hear!

Mr. Robichaud: Not in fisheries.

Mr. Siddon: Mr. Speaker, I can also assure the House that over the past four years during which this government has presided over fisheries matters, the number of processing jobs in each year has increased over the previous one. This being a record year we have had outstanding employment in the processing sector and, in fact, if one were to break down the 60,000 jobs in British Columbia that have been established since January 1, one would find that large numbers of those jobs are in the fishing and fish processing sector.

An Hon. Member: That sounds fishy to me.

SENATE REFORM

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Deputy Prime Minister. Maybe the Deputy Prime Minister would recognize that last evening's election of a Senate nominee in Alberta is a very important historical step for this country. As a simple straightforward parliamentarian he would not want to hide behind obscure answers about lists of names but recognize the election as being a clear question of the will of the people being responded to by this government.

Has the Deputy Prime Minister been in touch with the Prime Minister in his sojourn overseas and can he now say that the Prime Minister will provide the assurance that the prerogative of the Prime Minister will be used clearly to appoint to the Senate the nominee who was elected last night in the province of Alberta for the Senate?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the hon. member is aware of the process that has been established under the Meech Lake Accord. There are constitutional responsibilities that the Prime Minister has to uphold. There are also conditions that he is obligated to uphold under the provisions of the Meech Lake Accord.

The Right Hon. Leader of the Opposition asks if Mr. Getty signed the accord. The answer is, yes. I have it right here in front of me. To enlighten the hon. member in case he has not read the Meech Lake Accord, Article 2, which deals with Section 25 (1) of the Constitution, states: "Where a vacancy occurs in the Senate the government of the province to which the vacancy relates may, in relation to that vacancy, submit to the Queen's Privy Council of Canada the names of persons who may be summoned to the Senate."

Subsection 2 states: "Until an amendment to the Constitution of Canada is made in relation to the Senate pursuant to Section 41, of the Constitution Act, 1982, the person summoned to fill a vacancy in the Senate shall be chosen from among the persons whose names have been submitted under Subsection 1, by the government of the province to which the vacancy relates and must be acceptable to the Queen's Privy Council of Canada."

There is a clear constitutional obligation.

Mr. Lapierre: How about the people?

Mr. Turner (Vancouver Quadra): How about the people of Alberta?

Mr. Mazankowski: There is an obligation to uphold the spirit and the letter of the Meech Lake Accord which was signed by the Premier of the Province of Alberta, Mr. Getty. The Prime Minister is fully prepared to honour his obligations and his responsibilities within that context.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I would express my disappointment in the answer of the Deputy Prime Minister because when he talks about honouring obligations, there is a much higher obligation to respond to, and that is the will of the people expressed through the ballot box. That is the highest order in this House.

I want to ask the Deputy Prime Minister specifically this in relation to that important first step taken in the province of Alberta last night in terms of Senate reform. Going back to the Deputy Prime Minister's own interest in Senate reform, will the government commit today that it will undertake a joint committee of this House, the Senate and House of Commons, to look at the mandate of the Senate and come forward with a mandate that is more equal, effective and elected than the Senate we have had up until now?

• (1430)

Is this government going to show its commitment to Senate reform as the people of Alberta did last night?

Mr. Mazankowski: Mr. Speaker, there clearly is a commitment. Part and parcel of the Meech Lake Accord was the fact that the first item on the agenda after the Meech Lake Accord was adopted—I trust that that is still the official position of the Liberal Party—

Some Hon. Members: Oh, oh!

Mr. Mazankowski: —was to accept the Meech Lake Accord. I know that there are some variations in some quarters—

Mr. Turner (Vancouver Quadra): Are you going to stand up against the people of Alberta?

Mr. Mazankowski: —but I should also remind the hon. member that it is through the Meech Lake Accord that this process was established.

Mr. Turner (Vancouver Quadra): That is a newy.

Mr. Mazankowski: So, surely, Mr. Speaker, there should be some support over there. The fact of the matter is that there is no one more—

Mr. Axworthy (Winnipeg South Centre): Are you rejecting the people of Alberta?

Mr. Mazankowski: Mr. Speaker, if the hon. member would allow me to answer the question. There is no one more supportive of Senate reform than this government and all members from this side of the House.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: When I hear Liberals across the way chirping about Senate reform, let us look at what Senator Hastings says about this process. He says that, "It is a ludicrous and unconstitutional." Senator Olson says, "There is no Senate election. The Prime Minister appoints senators". Mr. Speaker, why don't they get their act together? We have ours.

Some Hon. Members: Hear, hear!

* * *

FISHERIES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Fisheries. Yesterday we had a decision that came down clearly against the interests of the people of British Columbia, and beyond that, in terms of resource management and control, all of Canada, a decision which for the first time restricts Canada's right to set the level of a resource level in this country.

Considering that that decision has been said by representatives of the industry to be a U.S. victory; considering that it has been said by representatives of the trade unions in Canada to be a U.S. victory, and considering that it has been said by the U.S. trade representatives to be a U.S. victory, why is the minister the only man on either side of the border who has the nerve to claim that this is a Canadian victory?

Some Hon. Members: Hear, hear!

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the hon. Leader of the New Democratic Party does not quite have his facts straight. I saw on CBC television last night a female worker on a fish plant line in British Columbia saying that this was a good deal for Canada. She was wearing the union logo.

I think it is unfair to draw conclusions at this point on the basis of a report which the government has 30 days to accept or to dispose of in one way or another. I can repeat, Mr. Speaker, to the hon. member, that on page 37 it states clearly that the panel agreed with Canada's position, that a state could not be obliged to make its fisheries conservation and management regime dependent on co-operation with another state.

That ensures that Canadian sovereignty of fisheries management as enshrined in Canadian fisheries' legislation is preserved in this panel finding.

Mr. Broadbent: Mr. Speaker, the minister knows what is at stake here. It is not simply the issue of conservation. The government gave it away and the trade deal has the right to settle the level of development of resources for industrial purposes in Canada. That is what the government gave away, and the minister knows that.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Yesterday he was describing the decision as a victory. Today in Question Period, the minister is talking about the government taking action, presumably not to accept the decision. He cannot have it both ways. Since the people in British Columbia in particular, and representatives—leaders in industry as well as in the trade union movement—understand the decision for what it is, as threatening their jobs, will the minister now give assurances to the House that the government will exercise its right and refuse to accept this decision?

Some Hon. Members: Hear, hear!

Mr. Siddon: Mr. Speaker, the hon. member and his cohorts keep referring to this threat to jobs but they cannot produce one shred of evidence of one job that has been lost to this date in British Columbia as a result of a GATT dispute which was initiated before the General Agreement on Tariffs and Trade, and which I believe the New Democratic Party supports, because the fisheries industry is an export industry.

We depend on access to international markets to sell 80 per cent of our production. We have to play by the rules of international trade, and I believe the New Democratic Party even believes in that. So the member cannot hide behind this notion that somehow we should be able to protect jobs when, in fact, if we are going to export products we have to play by the international rules of trade.

Mr. Broadbent: Mr. Speaker, the minister talks about jobs. I urge him to check with his own officials and he will find out that there was over four million pounds of salmon exported directly to the U.S. unprocessed in Canada.

I say to the minister that that represents a lot of jobs which people in British Columbia would like to see take place in British Columbia and not in the United States.

I want to ask the minister this question and I hope he will be candid in his answer. Given the nature of this ruling with its implications, which are bad enough for British Columbia in the salmon industry, would he not agree that the implication of this decision, if the government accepts it, means that we can no longer set any restrictions on the export of raw logs, that minerals in Manitoba, Quebec and Ontario, for example, can no longer have restrictions imposed on them for development here in Canada? In short, has the minister not given away the whole capacity for us to have a regional and national industrial strategy that would stop us from being simply the hewers of wood and drawers of water for the United States?

Mr. Siddon: Mr. Speaker, I presume the hon. member was wise enough to know that there is no point hewing your trees and drawing your water if you have no markets to access with the products you produce. That is the principle of trade and the reason why we must abide by the rules of international trade. That principle as to whether or not we should be able to protect jobs was decided by a GATT panel finding which Canada accepted two years ago.

Mr. Broadbent: You gave away the export tax.

Mr. Siddon: Now I return to the question which the hon. member asked about jobs that were lost. In fact, we had a bonanza year in the west coast sockeye runs this year. We have been exporting raw fish in three species for years and years which will no longer be freely exported.

I refer the member again to page 37 of the findings of the panel which clearly upholds Canada's right to manage our fishery from the perspective of conservation of a sustainable resource.

[*Translation*]

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, my question is also directed to the Minister of Fisheries and Oceans. We now know that the Government failed miserably in protecting jobs on the west coast. We can no longer enforce our processing regulations. We can no longer enforce our landing requirements. We have lost across the board, and this will have serious repercussions. And now for my question.

What kind of assurances can the Minister give the House that the same situation will not occur on the east coast and that we will be able to maintain our right to protect our resources and our jobs in the fisheries industry?

[*English*]

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I understand that the member would be inclined to draw parallels, but there is actually no comparison between the two situations that are in debate here. In fact, the Prime Minister, in this House on October 5, made it quite clear that we reject any proposed amendments to the Magnussen Act which would impede our right to access the U.S. market with lobsters harvested according to our conservation rules. In other words, the American government cannot, in an extra-territorial way, apply its conservation requirements to Canada. That principle also applies with the FTA panel finding which clearly respects Canada's right to manage and conserve our fisheries resources within Canada which is within our jurisdiction.

• (1440)

Mr. Robichaud: Mr. Speaker, I have a supplementary question. I do not find any assurance in the minister's words. We have given up our processing regulations and we cannot enforce our landing requirements. We have given up, under article 408 of the free trade agreement, any right that we would have to use an export tax. We have given up everything.

What new action or process or even what new trick can the minister find to protect the jobs in the fish processing industry? What new tricks does he have up his sleeve?

Mr. Siddon: Mr. Speaker, I do not recall in the debate on the GATT panel ruling about two years ago the opposition suggesting we apply an export tax on our fisheries exports. In fact, I read from the FTA panel finding which clearly recognizes Canada's right to manage our fish stocks, our salmon and herring stocks on the west coast, in accordance with our sovereign right to do so as flowing from the Law of the Sea and enshrined in Canadian legislation.

The panel report, if he will read it carefully, even provides some guidance as to how we should do that. It suggests we should be able to administer all transportation of fish from our west coast fishery, whether by land or by sea, and ensure that that right is unfettered in any way. We will do that.

* * *

SENATE REFORM

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, my question is for the Deputy Prime Minister. Today the government leader in the Senate said that in selecting Senators, a list of names must be submitted to the federal government by the province where a vacancy exists. He further stated that more than one name must be submitted in order to respect the provisions of the Meech Lake Accord.

Yesterday Albertans made their democratic choice in a Senate election. Today their premier, Mr. Getty, said that he would submit only one name that of the winning candidate in yesterday's election. Will the Deputy Prime Minister defend the democratic will of the people? Will he respect the choice made by Albertans yesterday? Or is he going to snub them and insist on a list that contains more than one name?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I think all of us in this House support the principles of democracy. However, we also support the responsibility and the obligation to uphold the constitution and proposed constitutional amendments as was the—

Mr. Turner (Vancouver Quadra): This was not ratified!

Mr. Mazankowski: If the right hon. Leader of the Opposition wants to get in on the act again he can. He said that this has not been ratified. That is quite true.

What was agreed was that until such time as it was ratified, the spirit and the letter of the Meech Lake Accord would be fulfilled. The Prime Minister is prepared to do that and we expect the premiers to do likewise.

Mr. Harvard: Mr. Speaker, the Deputy Prime Minister is not going to accept the democratic choice made by Albertans yesterday.

If the Deputy Prime Minister is going to be so stubborn about a list, I will tell him that there was a total of six candidates in the Senate election yesterday. Would he be satisfied with that list? If so, why in heaven's name would he not select the winning name from that list?

Mr. Mazankowski: Mr. Speaker, I am not being stubborn at all. What I am saying is that there is a constitutional obligation and responsibility. There is an agreement that is enshrined in the Meech Lake Accord which the Prime Minister and the premiers agreed to follow in spirit and in letter.

It is certainly not the hon. member's responsibility to submit names or to appoint a Senator. It is the responsibility of the premier of the province of Alberta to submit a list of names. I can assure him that when he does it will be considered in appropriate fashion.

* * *

ILLEGAL DRUGS

Mr. John Brewin (Victoria): Mr. Speaker, my question is for the Solicitor General. The rising tide of illegal drug use in this country is an issue of concern to all Canadians. What is the government's answer? We find now that this government has effectively cut back the RCMP's available funds by $40 million for its law enforcement work in drug trafficking. Furthermore, for the last three weeks the RCMP has not even had the funds to rent cars and has to check "home" before it can make long distance telephone calls.

Will the minister assure Canadians that instead of spending money on high profile campaigns to promote the minister and the government, it will give the RCMP the funds to do its job properly?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I think the numbers in the article my colleague has referred to, because it was on the radio this morning, are totally false. This year we have put more money than we have ever put against drug traffickers. As happens from time to time, we need more money, and so we have had to reallocate funds from other parts of the budget. This is what we have done. We have even put more money into the Toronto area where this story comes from. We have put more money this year than we ever have in the past against drug traffickers.

Mr. Brewin: Mr. Speaker, the story may have come to the minister from Toronto, but in fact it is the Deputy Commissioner of the RCMP based here in Ottawa who is quoted. What he says is that the funds for high profile PR campaigns have been transferred from the work on the street where it must take place.

The Solicitor General will have to concede that the last week has not been a good one for him. We have the RCMP running out of money. We have a report that says that CSIS, for which the minister is responsible, is still spying on peaceful Canadians. We have minister's parole officers going out on strike this week. Finally, we have a prestigious international conference in Montreal on urban safety which has pronounced the direction that the minister is taking against drugs is a total failure.

Will the minister, who is also the Minister of State for Agriculture and the government minister responsible for eastern Quebec, admit that Canada needs a full time and not a part-time Solicitor General?

[*Translation*]

Mr. Blais: Mr. Speaker, I would need the rest of the afternoon to answer the hon. member's question. However, to be more specific and stick to the question of the war against drugs, two years ago this government set up a national anti-drug strategy in which we invested over $210 million to enable all departments involved in the war against drugs to work together.

Earlier this year, only nine months ago, we implemented new legislation to be able to seize the earnings of drug traffickers. So far we have seized over $30 million, quite an achievement.

Mr. Speaker, I believe our government is doing more than ever before to fight drugs. Like all Canadians, the opposition should join our efforts to give Canadians the assurance that the government is doing all it can to keep drugs from destroying our families.

* * *

[*English*]

TRADE

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, yesterday in the House in response to a question from the hon. member for Winnipeg South Centre, the Minister of State for Small Businesses and Tourism made reference to funding called for under "Going Global", Canada's trade strategy. As this is a very important international trade initiative, could the minister confirm these figures please?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am very happy to tell the hon. member that yesterday in my caution not to exaggerate, I considerably understated how much is being spent on "Going Global".

The member for Winnipeg South Centre will be relieved when he hears how much more we are spending than I indicated yesterday. The announced "Going Global" trade strategy calls for funding of $93.6 million over five years which can be summarized as follows: the Pacific 2000 initiative which is $65 million; the Europe 1992, which is $19.6 million; and $8.8 million for communications. This is to be added to our over-all program for the U.S.

* * *

• (1450)

ILLEGAL DRUGS

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is to the Solicitor General. The bottom line is that the government's national drug strategy is not working and it is becoming abundantly clear that Canada is the weak link in the North American war on drugs.

The CBC news report today indicated that the special RCMP budget used for undercover drug operations, the classified expenditure fund, was either frozen or de-

pleted and that for a period of time undercover narcotics agents were unable to fight the war on drugs.

I would like to ask the Solicitor General whether the report was accurate when it stated that at one point in time the fund was either frozen or depleted, and can he explain why narcotics officers were rendered useless because there was no money in the kitty to fight the war on drugs?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, the report my hon. friend is talking about is not true. We have put more money into that budget this year than last year and the year before. The problem is that because we are working harder against drug traffickers this year, we need more money. We have had to reallocate the money from other parts of the RCMP budget. So we have put more money against drug traffickers in this part of the budget. That is the reality. That is true. Those are the facts.

Mr. Nunziata: Mr. Speaker, the facts are that the RCMP had to go to the minister with cap in hand asking for money to rent cars for undercover agents and to rent telephones to monitor drug dealing in Ontario.

A cover story in this week's *Maclean's* confirms what we said almost three weeks ago, that Canada has become a haven for the laundering of illegal drug money and that Bill C–61 is totally inadequate in addressing the problem. Officials of the drug enforcement administration in the United States have referred to Canada as the Maytag of the drug laundering industry, solid and dependable.

When will the government get serious in fighting the war on drugs and introduce legislation immediately in order to force the banks and other financial institutions in Canada to report large currency transactions?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I would caution the hon. member in using possible headlines in the media in articles which are otherwise well balanced. This could bring some discredit to the reputation of our country. What the hon. gentleman refers to is absolutely untrue. His party of the last 20 years did nothing. It is this party which two years ago introduced legislation which is considered to be the best in the world. We are working with all financial institutions, the RCMP to close all the possible holes that exist. It is an ongoing and difficult process but we are capping it. I am very confident that we will win this fight. We have to keep at it, we are at it and we are presently considering other measures that, if they are needed, will be implemented. You will not find us wanting in this regard.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw the attention of the House to the presence in our gallery of Madame Roldeth Dos Santos, the Angolan Secretary of State for Social Affairs.

Some Hon. Members: Hear, hear!

* * *

RAIL TRANSPORT

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Minister of Transport. The minister knows that in the face of mass cuts that have been made to VIA Rail passenger service in this country, many Canadians are now concerned about the loss of freight service in this country. Indeed, the minister himself suggested yesterday that substantial freight cuts may be pending.

Has the minister been advised by either Canadian National or Canadian Pacific of proposed cuts to rail freight service in Canada? Is the minister prepared to give the House a commitment today that those Canadians who have lost VIA Rail passenger service will not find their freight service being cut next?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, there is obviously no connection between the VIA Rail services and CN or CP services. Any request by CN or CP for branch line abandonments has to be addressed to the National Transportation Agency and not to the Department of Transport. This agency is quite independent of the government. I admit, as I have said before, that CN and CP make many requests to the NTA.

In terms of abandonments, the National Transportation Act is very clear about the process. The NTA has not yet made a decision in most cases, but we are working with the provinces to see what can be done. In western Canada it is a little different because the branch lines are all protected until the year 2000. Eastern Canada has a

problem and we are working on it with the provinces, and I believe we can find an answer to the problem.

Mr. Tobin: Mr. Speaker, this minister has more nerve, I submit, than a severe tooth ache. He wants Parliament and Canadians to believe that this is a matter for the NTA and the NTA is totally at arm's length from the Government of Canada. This is the minister who just used an Order in Council to wipe out VIA Rail and said: "Damn the NTA".

Canadians who live in the eastern part of this country, in particular those in Atlantic Canada, know that the writing is on the wall for the end of rail freight service in Atlantic Canada. The minister knows it. He discussed it publicly yesterday. I want a commitment today, on behalf of those Canadians, that the government will forbid the abandonment of rail freight service until such time as your own royal commission on transportation has had a chance to do its job and report. Is the royal commission worth a damn or is it another bluff?

Mr. Bouchard (Roberval): Mr. Speaker, first of all the royal commission will work on the passenger service. It will consider the freight system.

The member asks me to overrule the law, but it is the National Transportation Agency which makes that kind of decision. I said before, and I repeat, we are monitoring very closely the question of rail services, particularly on the freight side and we are working with the provinces. They are supposed to provide what they call their substantial or essential network in the country. But once again, as I said yesterday, we face a problem in all transportation modes, but we are trying to fix and address those problems.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport. The minister knows full well that there is an established pattern in this country when it comes to passenger rail and freight rail. Newfoundland experienced it. They lost their passenger rail and later lost their freight. Prince Edward Island lost their passenger rail then lost their freight.

Given his statement to the transport committee yesterday and his comments in the House today, is the closure of some VIA services not the first step toward dismantling all freight services in Canada, particularly Atlantic Canada? What is going to be next, Victoria to Courtney, Halifax to Sydney?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, as I said before, there is no connection between the cuts at VIA Rail and requests made to the National Transportation Agency. These are two entirely different problems.

[*English*]

Mr. Angus: Mr. Speaker, the minister may say they are disassociated, but history will prove him wrong.

The minister knows full well that when rail lines are abandoned, they are usually sold and dismantled. If the royal commission that his government has set up finds that rail is a transportation mode for the 21st century and that the ties, rails and right–of–ways are gone, it may cost tens of billions of dollars to restore the railways and it may not, in fact, be possible. Given this, will the minister look to the future and halt all abandonments until the royal commission has submitted its report and has been considered by the people of Canada?

• (1500)

Mr. Bouchard (Roberval): Mr. Speaker, once again the member is trying to mix up Canadians with a royal commission working on passenger services and with CN or CP branchline abandonments. They are two issues. The first one we answered two weeks ago with the new network we have proposed to Canadians. There is another one that I said we are working on. I believe that once again, do not try to mix up Canadians with two issues which are totally different.

* * *

POLLUTION

Mr. Rex Crawford (Kent): Mr. Speaker, my question is for the Minister of the Environment. He will be aware that his announcement to clean up contaminated land sites is not enough to address the reality. Only 50 sites will be cleaned up over five years and yet the province states that there are over 3,000 underground and toxic waste dumps in Ontario alone. That does not include sites that have yet to be uncovered through a generation of dumping hazardous waste.

Does the minister not agree that more money is needed to firmly deal with the underground toxic menace, and that a super fund paid for by the industry levies is the long-term answer to this long-term problem?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, we in Canada have 1,000 contaminated sites, 50 of them are abandoned sites. With the announcement yesterday I hope to be able, during the next days in Prince Edward Island together with my colleagues, the provincial environment ministers, to strike a deal where we will trigger a whole operation covering all of the country to get rid of the 1,000 contaminated sites. If we can put $150 million from the federal point of view, we will be able to trigger an operation over all of Canada to enable the provinces to adopt legislation and regulatory mechanisms to oblige companies to clean up the 950 sites which we know are contaminated.

Mr. Crawford: Mr. Speaker, the minister knows that for 95 per cent of the identified sites the polluter pays, but many provinces have yet to pass legislation to force this penalty. This is a national issue needing national leadership. Does the minister not agree that his clean-up program should be federally administered with enforceable national standards rather than having an inconsistent patchwork of provincial regulations?

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, this is a question of shared jurisdiction. We have in Canada a Constitution where the provinces have jurisdiction. We must respect those jurisdictions, but there are ways to strike agreements with the provinces so as to put in force joint operations, and this we will be doing.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-28, an Act to amend the Income Tax Act, the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, the Old Age Security Act, the Public Utilities Income Tax Transfer Act, the War Veterans Allowance Act and a related Act, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): When the House rose at one o'clock the hon. member for Mission—Coquitlam had ten minutes for questions and comments. I will now recognize members on questions or comments. The Hon. Member for Surrey-North.

Mr. Karpoff: Mr. Speaker, I would like to ask my colleague a question on the clawback of family allowances. One of the things that is very noticeable in Canada is that we have changing demographics and our birth rate is dropping. At the same time, the cost of raising children has increased dramatically. One of the things that families have had in this country that is unique is a universal family allowance program. This program has tied families together because every family, regardless of economic circumstances, has had one common universal program which they know they will all receive.

What does the member think this is going to do to the concept of family solidarity in Canada and the commitment that all Canadians have to universal programs?

Ms. Langan: Mr. Speaker, I would like to thank my colleague from Surrey. It is important when we talk about the impact of the clawback in family allowance on the family that we think about it in terms of the whole context of the attack on the family that is being carried out by this government.

We have an attack on the family under the unemployment insurance program. We have an attack on the family in terms of an attack on pensions of seniors who are part of the expanded family. We have an attack on the family with the clawback on the family allowance.

We are facing today an amendment to this legislation that will mean that any family with an income of $50,000 will see a portion of its family allowance clawed back.

Again, expanding and projecting what this clawback will mean in 20 years, one need only take a look at the impact on pensions and transfer it to family allowances. This means that in many cases the family allowance currently going into a home is the only independent income that a mother has in terms of spending for her

children or spending for the home, and it is going to be taxed based on her husband's income. It is a total denial of the universality in which this family allowance program was introduced. It is the thin edge of the wedge. I would suggest that it belies an underlying current of attitudes of this Tory government toward the family, toward support for the family, and toward again attacking the poor to protect the rich.

The Acting Speaker (Mr. Paproski): Since there are no more questions or comments, debate. The hon. member for Hillsborough.

Mr. George Proud (Hillsborough): Mr. Speaker, I rise today to address this House on Bill C–28, an act to amend the Income Tax Act, the Federal–Provincial Fiscal Arrangements and Federal Post–Secondary Education and Health Contributions Act, the Old Age Security Act, the Public Utilities Income Tax Transfer Act, the War Veterans Allowance Act and a related Act.

This piece of legislation is a myriad of amendments to the Income Tax Act, some 59 amendments aimed at implementing most of the provisions detailed in the government's April, 1989 Budget, a budget that pummeled Canadian families, insulted the voters of this country and penalized the poor even further.

This legislation continues, or more appropriately, cements the government's plan to end the universality of social programs. We know that the government's social program cuts will make up nearly 30 per cent, or $610 million of the $2.8 billion in spending cuts. The Minister of Finance announced these cuts for the 1990–91 fiscal year. This was in addition to the previously proposed changes to the unemployment insurance program which will eliminate the government's contribution of $1.9 billion in the year 1990–91.

We are seeing the end of universality, a long standing principle of the Canadian system of social benefits. I say that because universality is by definition of or belonging to or done by all persons or things in the world or in the class concerned and is applicable to all cases. In other words, regardless of income some benefits have to be delivered to everyone. What the government is proposing in this legislation is to take away all of the benefits over a specific income level, not only for old age security pensions, but for family allowances as well.

• (1510)

Canadians have long been told to consider old age pensions when planning for their retirement. Now they find that the pensions will not be there as expected, and that at this time they have very little chance of changing their financial situation. What happened to the Prime Minister's position of 1984 when he promised that universality was a sacred trust? That sacred trust has been tossed aside by the Prime Minister, the Minister of Finance and this government as a whole.

In 1984 the then Minister of National Health and Welfare stated in the House: "All savings generated from any changes will be redistributed to social programs and will not be applied to deficit reduction". He went on to say: "Benefits from old age pensions will be taxed no differently from any other form of income".

It is not hard to understand why Canadians are angry at this government. I guess the sacred trust has been replaced with the other two words we have had drilled into us lately, those of "deficit reduction". If the senior citizens of this country, individuals who have given many years of hard work and trust, cannot be spared by this government then I guess it is obvious that aside from major corporations no one will be spared.

Bill C–28 brings more tax increases, reduced federal transfers to the provinces for health and post–secondary education and imposes clawbacks on family allowances and old age security benefits, specifically Part 1.2 of Clause 48 of the legislation which implements these clawbacks. The clawback of the family allowances will take $1.686 billion out of the budgets of Canadian families over the next five years. Due to partial indexing, close to one million Canadian families who currently receive family allowances or old age pensions will begin to lose these benefits within ten years.

These clawbacks are anti–family and anti–senior. No matter what the total income for a senior citizen is, the principle of fairness suggests that it should not matter how a person attains this income. It should not matter whether it came from the government or from financial investments. The government's clawback would single out certain groups of people who receive family allowance or old age pension cheques for a special tax. Seniors

who receive their income from a pension will pay more tax than seniors who receive their income from investments. This is simply unjust.

Under the aforementioned tax changes family allowances and old age pensions will be taxed from individuals with net incomes over $50,000, not from families. The clawback system is set up in such a way as to allow a family in which each parent or partner works and earns $49,000 to retain all of its benefits because neither individual alone earns over $50,000. In stark contrast, a family in which one parent or partner works and earns $75,000 will lose all of its family allowance or old age pension benefits to the government's clawback system.

In the government's own consultation paper entitled "Child and Elderly Benefits" January, 1985, the idea of clawback on old age benefits was rejected. It stated that it would seriously disrupt the retirement income system.

The fine print of this legislation states that the $50,000 threshold between those who must pay the surtax and those who do not will be indexed each year according to increases in the Consumer Price Index, but at less than 3 per cent. If incomes continue to increase in keeping with the rate of inflation, but the threshold rises less than 3 per cent, then families and seniors will quickly fall to the other side of the ledger and have to pay the surtax.

The Minister of Finance has stated that the government will occasionally restore the threshold since it is only partially indexed. Does he really mean this? He does not seem to realize what universality means, so one can only assume what he thinks "occasionally" means. Perhaps to the minister, 31 tax increases in five years is occasional. If so, it seems he will adjust the threshold, but don't be surprised if no adjustments are forthcoming.

Parents and pensioners make a special, invaluable contribution to our society, in the past, present and future. These clawbacks imply that such contributions are unimportant and that some are worth even less than others. The families and seniors of this country deserve better treatment and more respect than this. We in the Liberal party do not believe in treating valuable members of our society the way that this government is treating them.

At a recent convention of the National Pensioners and Senior Citizens Federation, an umbrella organization for seniors' groups in Canada, members voted unanimously to bring a court challenge against the government clawback. They are furious not only because their incomes will be taxed at a higher rate, but because the minister refuses to fully index the $50,000 threshold, a situation which must give him a sense of *déjà vu*.

A clawback on old age security pensions will force 54,000 seniors to pay back all of their pensions. Furthermore, 74,000 seniors have to pay back at least some portion of their pensions. How is this government going to explain to seniors why it has taken contributions that were made in good faith? Seniors paid into the program and they have a right to reap the benefits.

Canadians are going to fight this government. We in the Liberal party will fight this government to stop the continued erosion of the very fabric of this nation. We have seen a flood of regressive policies from this government, VIA Rail cuts, unemployment insurance cuts, and base closures that have devastated regions such as my province of Prince Edward Island. They assure us that it is all for our own good. Now we face clawbacks, and the government could never generate enough rhetoric to mask its long hand reaching further and further into the very heart of Canada until it is torn right out.

Canadians cannot trust this government. They are being cheated out of what belongs to them. They are being betrayed after years of contributing to the society in good faith. This legislation is an insult to every man, woman and child, every family and every senior in this country.

The Acting Speaker (Mr. Paproski): On questions or comments, the Hon. Member for Kingston and the Islands.

Mr. Milliken: Mr. Speaker, my comment is directed to the Hon. Member for Hillsborough. I want to congratulate him on the excellent speech he has just made. I am sure that his constituents will be very proud of the remarks he has made in defence of seniors in his riding.

I wonder if, during the election campaign, the Prime Minister and the Minister of Finance had occasion to visit the province of Prince Edward Island, and if, in the course of that visit, they made some of the outrageous promises that they made in other parts of Canada saying that they were going to do everything in their power to protect seniors, that pensions were a sacred trust and items of that kind?

Mr. Proud: Mr. Speaker, I want to thank my hon. colleague for the questions he has put forward. Yes, indeed, a year ago at this time the Minister of Finance was in my riding. He certainly assured the senior citizens, especially the senior citizens in the senior citizens' homes throughout, specifically in the Charlottetown region, that nothing was going to happen in any way to their pensions, and that they could certainly trust this government. Many of them did not necessarily agree with this apparently because of the way the election turned out.

I also have had many, many comments from people who have talked about this clawback provision that is coming about. We have many people in our society today, many seniors, who have worked years and years and years working hard. They have been very prudent and have been able to save some money only to find now that as they reach pensionable age that pension is not going to be there for them.

Yes, the promises were made in my riding and, obviously, those promises are not in any way going to be kept.

Mr. Volpe: Mr. Speaker I, too, would like to compliment my hon. colleague from P.E.I. who has raised a very important question in debate today. I would like to have his comments on another component of the whole clawback scheme, aside from the fact that we are moving away from the universality of a concept, a concept that provides security both social and monetary for all of our citizens who have made great contributions to the general wealth of this nation. One of them has to do with a very important and I think legal position that is being eroded by this clawback system. I refer to the many pensioners who prior to the establishment of the larger OAS plan were actually making contributions to a government-sponsored pension program which now these people see eroded. They see now that they can no longer benefit from the contributions that they have made. Those were contributions that had already been taxed and now these people see themselves being taxed yet again. I wonder if the hon. member would comment on that, Mr. Speaker.

• (1520)

Mr. Proud: Mr. Speaker, this very question has been posed to me on many occasions because there are many, many people in our society today who have, for many years, contributed that amount of tax to prepare for their pensions when they reach that age. Certainly this is a violation with respect to these people who, when you talk to them over the years, would say: "Next year I will be 65. I will be getting the old age pension". Pensioners will find that is not going to be a reality for them because this pension is going to be clawed back and the seniors are going to lose it all.

A friend of mine has worked hard all of his life for not very much money, and only in recent years has been able to accumulate some money. He finds that it is not going to be available to him and to his family. This is a breach of trust to the people of this country of ours.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the Hon. Member for Winnipeg North.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I am glad to rise and speak on Bill C-28, an act to amend the Income Tax Act, the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, the Old Age Security Act, the Public Utilities Income Tax Transfer Act, the War Veterans Allowance Act and a related Act. On the various components of this bill I would like to focus my comments in opposition specifically to that which relates to the Old Age Security Act. I therefore rise and speak out against this bill because it proposes amendments which will result in a move away from our tradition of universality in social programs. This is the most significant change in social policy in a generation in Canada.

Part 1.2 of Clause 48 on page 46, Section 180.2 of the bill as printed is entitled "Tax on Family Allowances and Old Age Security Benefits". This particular part implements the clawback of family allowances and Old Age Security pensions. Henceforth individuals earning more than $70,000 will no longer receive old age pensions and family allowances. Those earning $70,000 will receive partial old age pensions and family allowances. The tax-back rate will be 15 per cent. The $50,000 threshold will be partially deindexed. In real terms the threshold will be reduced through time. This measure will be phased in over three years. When fully phased in, the tax

increase will be much higher than the $320 million reported by the government.

This clawback is not only unfair and dangerous to universality, but it is a blatant example of the pernicious way this government runs the country. The government said one thing during an election campaign, made all sorts of promises to win votes, and then as soon as it was re-elected it ignores the concerns and neglects the needs of Canadians. It abandons, or, worse, it dismantles social programs which are put in place to promote the social and economic interests of all Canadians, families and seniors included.

This is intolerable. This government is no longer just cutting the fat from our social programs. It is cutting the sinew, the muscle, and even the bone of our social character, of our social well-being. This government is trying to destroy the very foundation of our society by attacking the universality of social programs and by unfairly targeting groups, such as senior citizens who are the most vulnerable to attack, who made it possible for us to be where we are today.

What is particularly frightening is that this government refuses to index the $50,000 threshold for the first 3 per cent of each year's inflation. If we look ahead at maintaining current buying power while evaluating seniors' income in constant dollars, and if we project current inflation rates forward, in eight years the threshold will be the equivalent of only $35,000 or $40,000. By the year 2000, the clawback will start at $35,765; in 15 years from now, the threshold will be down to $30,000; and five years later, when the first of the baby boomers start retiring, it will stand at only $28,000 a year and will affect 2 million Canadians. Eventually the number of Canadians returning their entire benefits to the taxman will be so large that the idea of making payments to everyone will be abandoned. That then will be the demise of universality.

The clawback tax is also frightening because it is unfair. The impact will not only be confined to high-income Canadians, it will discriminate against one-income families and against senior citizens 65 years of age and older. A family with one net income of $55,240 will have to pay back all of its family allowances as a result of this new amendment. But a two-income family, in which one spouse earns $45,000 and the other some $40,000 will not have to pay back anything. By any arithmetic standard the proposed clawback cannot even approximate fair taxation.

The seniors' clawback amounts to age discrimination, since a pensioner earning $60,000 a year will be treated differently by the income tax system than a 64-year-old. Further, the clawback will single out those people who receive family allowance and old age pension for a special tax; such that seniors who receive their income from a pension only will pay more tax than seniors who receive their income from investments.

The clawback is unfair, in fact, unethical for another reason. The elderly have already paid for their old age pensions through a lifetime of paying income taxes. The clawback changes the rules of the game without the consent of those who had paid in the past.

In the 1950s the government insisted Old Age Security would be a contributory plan that paid for itself with each year's benefits funded by matching contributions. A special tax was created for the purpose, and each time the pension was raised the tax was raised. Seniors of today paid for that tax.

That tax was not ended until the 1972 tax reform. Hence seniors, because they had made their contributions, have a legal, moral, and ethical right to collect this pension. For years people have been told to consider old age pensions when planning their retirement income. Now they may find out that it may not always be there at a time when they have little chance of changing their financial situation.

The elderly are also in a poor position to fight back against a government that is whittling away at their pensions. They cannot afford to hire an expert who can help them to file their forms and show them how to reduce their taxes. They are being cheated by this government's clawback scheme out of the pension they have paid for in the past. This is exactly what the Prime Minister promised not to do during the last election campaign. Indeed, in the presence of his mother, the Prime Minister promised that any government he would lead would improve pensions rather than degrade them.

• (1530)

The government swore during its election campaign that social benefits would not be jeopardized and that old age pensions were a sacred trust. Suddenly, after the election, statements about sacred trusts are being replaced by statements about the need to decrease the deficit. The government knew, or ought to have known, the state of the financial books at that time. Yet the government chose not to tell the Canadian people then. Now the government is stating that all Canadians, including seniors, have a responsibility to pay out of their own pockets to make up for this government's fiscal ineptitude. This, I submit, is a blatant breach of faith. The government has gone about breaking its word in a very insidious manner. This government claims that it is continuing the principle of universality but in reality it is cancelling it. It does not even have the courage to be honest with the Canadian people.

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired. Questions or comments?

Mr. Martin (LaSalle—Émard): Mr. Speaker, I wish to commend the hon. member for his remarks. In a very short period of time he has clearly demonstrated that he is a very perceptive analyst of the social programs and the social needs of this country. It is a pleasure to listen to him. I would have been quite prepared to continue listening for a longer period of time.

I would like to ask the hon. member, given his unique background as a medical doctor and his experience around the world, if he would be prepared to continue his comments in analysing the importance of social programs within the Canadian scene and comparing them elsewhere.

I would also be interested in hearing his comments about the effect on the credibility of the political process when the government now in power came to power by establishing one set of social programs and then breaking every promise it made.

Mr. Pagtakhan: I thank my hon. colleague. I would like to continue, indeed.

This government claims it is continuing the principle of universality but in reality it is cancelling it. Although it still sends old age pension cheques to everyone, it then pulls them back from the people. This is not universality. To be universal a social program must deliver benefits to everyone regardless of income in the target group. A universal old age pension, for example, must give net benefit to everyone over age 65. Old age pension benefits have been juggled several times over the years, but every adjustment left net pension in the hands of everyone, rich or poor.

A further consideration is that this government's global scheme will be costly and inefficient. Indeed, it is ridiculous that the government is trying to save money by clawing back but then spends money on all the people and paperwork necessary to collect the clawback.

The government continues to contend that universality has not been affected. In reality, the government is breaking the psychological barrier to whittling away universality. When a bedrock value in Canada like universal social programs is tampered with, it causes us to worry about what will be tampered with next.

Will the government tamper next with the health care program? In Bill C–28 this government has attacked the very principle which has made the people of our country secure and which has been the cornerstone of our social policy.

Thus I speak out against Bill C–28 and against this government's insidious attempt to abandon universality. Constituents of Winnipeg North speak up against this bill in defence of universality.

I call on the government to exercise a conscience, to withdraw this bill in the interest of all Canadians, in the interest of Canadian families, and in the interest of Canadian seniors.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, Bill C–28 attacks the right of senior citizens. It attacks their pensions for which they worked very hard. It attacks family allowance and our families. It attacks the principle of the universality of social programs that we designed and implemented many years ago. Bill C–28 attacks the social contract of a self-respecting Canadian society that respects its senior citizens and its children.

[*English*]

This bill is a betrayal of the Prime Minister's promises made in the last election. I remind members of the promise made by the Prime Minister in Sydney, Nova Scotia during the last election campaign. He said: "As long as I am Prime Minister social programs, especially those for the elderly, will be improved, not diminished".

This Bill C-28 is a betrayal of what the Prime Minister once called a sacred trust.

Bill C-28 makes 59 different amendments to the Income Tax Act and is a Tory plan to end universality of our social programs and thereby penalize Canadians. Part 1.2 under clause 48 implements the clawback of family allowance, the clawback of old age security pensions. It will take from Canadian families $1.68 billion of their budgets in the next five years, or the government will clawback $500 million a year from our seniors and from our families.

The government in this bill proposes a threshold of $50,000 at which individuals will begin paying back their family allowances and old age security benefits. I remind the House that both these programs are only partially indexed above 3 per cent. The deindexing of the $50,000 threshold means that within 10 years close to one million Canadian families will start losing their family allowances and old age pensions. The clawback proposal would put a special tax on families with children and on seniors.

I mean by "a special tax" an inequitable tax and unfair tax because it does not apply to anyone else. You have to be a senior or have entitlements to family allowance to have this tax applied to you. It does not take very much logic to understand that this clawback is anti-family and anti-senior.

How can Canadians trust someone who in front of the cameras in the last election made a solemn promise to his mother—remember that one—never to touch universality. A few months later he turns his back on his own mother and abolishes universality. That is exactly what the Prime Minister said during the election, yet he reverses himself completely, publicly, and brings on this atrocious bill.

My leader said during the election: "Citizens of this country, working throughout a lifetime to help build Canada, have depended on the old age pension as a right of citizenship. They have spent a lifetime of being taxed and they have planned their future on the basis of that pension. It was part of the social contract in this country".

That is the commitment. The Mulroney government is breaking that life long contract and I say to it: "Shame".

• (1540)

Last September 23 the National Council of Welfare, in its last report, stated: "There is no question the clawback puts an end to universality". It went on: "A social program that delivers benefits to everyone and then collects them all back from some recipients is not universal".

The Prime Minister, when informed of this statement by the National Council of Welfare, said: "Well, it is just another comment. It is just another statement". I was upset and very shocked by the Prime Minister's back-handed type of comment to this very important National Council of Welfare report and his display of a certain amount of arrogance toward the council.

I wrote the Prime Minister a letter, dated September 14, 1989, and there has been no acknowledgement yet. I told him that I was upset and angry. I wanted him to give us some reasons why he was proceeding with this savage attack on families and seniors. No answer.

But we heard one of the most prominent of his back-benchers, the chairman of the finance committee who is going around the country on the GST at this time, speak the same language as the National Council of Welfare. Here are the words of Mr. Blenkarn, one Tory member, a prominent member in terms of finance, stated: "We have decided to eliminate universality and we do that in a—"

The Acting Speaker (Mr. Paproski): I do not wish to disturb the hon. member's debate, but he should recognize the hon. member as the hon. member for Mississauga South.

Mr. Gauthier: Thank you, Mr. Speaker.

Mr. Rompkey: For the time being.

Mr. Gauthier: For the time being I will recognize him as the member for Mississauga South, and I will go on to quote him again. He stated: "While the clawback may be unfair and sneaky it is there". That sounds like clear language from a member of that Tory caucus—the clawback as read.

The executive director of the Canadian Council of Social Development also stated: "Social programs aren't a sacred cow any more. They are a dead cow". Michael Walker, director of the Vancouver Fraser Institute, a right wing organization, stated: "This means we will get

rid of universality gradually". Mr. Speaker, the Senior Citizens Federation of Canada, in a letter it wrote to the Prime Minister, stated: "We view this proposal as a serious breach of faith by our government, an insidious effort to undercut the social security programs that you have on numerous times stated are a sacred trust".

I ask: Is everybody wrong and this government and the Prime Minister the only ones who know what is right? These people are making it clear to Canadians that it is wrong to put into our social program network a clawback which takes back from the seniors and from families certain moneys to which they are entitled.

In the past five years the Conservatives have made it their policy to speak out of both sides of their mouth. What was sacred trust before the election is a broken promise after the election. Even the Minister of Energy, Mines and Resources, when he was the Minister of Health, stated on December 21, 1984: "All savings generated from any changes will be redistributed to social programs and will not be applied to deficit reduction". He also went on to say: "Benefits from old age pensions will be taxed no differently than any other form of income". That is a minister of the Crown speaking.

It does not make any sense that after an election in 1988 they come back and throw away all these promises, all these undertakings, all these commitments they make to Canadians. They did not say that during the election. No way, no way. They said different things and that is why I say they are two-tongued.

[*Translation*]

They talk out of both sides of their mouths!

I see you are about to rise, Mr. Speaker. I hope I have another question so I can finish my comments.

[*English*]

Mr. Martin (LaSalle—Émard): Mr. Speaker, I have a comment and a question for the hon. member. He has great experience in this House and as a parliamentarian. He has clearly demonstrated it in his remarks this afternoon. There is an enormous amount of cynicism and disenchantment among the electorate about politicians who make promises, say things, and then get into office and do exactly the opposite.

The member has articulated very well the fact, I believe, that the Prime Minister supported the policy of universality before the election and then appears to have blatantly reneged on that promise. I find this very difficult to accept and to understand, as I am sure the Canadian people do. I wonder if the hon. member is prepared to comment on that and on the cynicism that this creates among the Canadian electorate.

Mr. Gauthier: Mr. Speaker, I would like to respond to that question by saying that a buck is a buck is a buck. Taxed as we are, it should not matter where the money comes from. But the progressiveness of our tax system under this government is changing. If you are a senior citizen, tax policies will be applied differently.

A person 40 years old earning $40,000 will be taxed a certain way, but a senior citizen in that same category income tax-wise will have to be paying taxes on his or her old age security pension.

I find that difficult to understand. I find that clawback proposal, putting a special tax on seniors and on families, to be totally inappropriate. We have a progressive tax system and we cannot start applying special taxes to seniors and to those who are entitled to family allowances. I think that is wrong.

Universality is a principle that the member should know well because his father, Paul Martin, when he was a member of this House was one of the proponents, one of the great defenders, who put in place in this country those social programs which you and I share today, including the old age security pension and health programs.

We have developed in this country over the years a great system of social programs. All Canadians have universal access on a non-profit basis. Whether you can afford it or not you will get fair, equitable and good treatment in our hospitals and in the health care system.

You will get a pension; it does not matter if you are from the east or the west, tall or short, fat or whatever, you get the same pension whether you are rich or poor. That is what is called universality. That is why the National Council of Welfare said in its report published in September:

There is no question that the clawback puts an end to universality—A social program that delivers benefits to everyone and then collects them all back from some recipients is not universal.

It appears to me that it is a very simple argument. Why is the government proposing today to tax seniors and family allowance recipients in a different manner than it taxes other people? I tell you that is wrong.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, normally when there is significant change in social policy governments come forward with a White Paper or a royal commission and say up front that they have decided to change the social contract within a country.

• (1550)

One of the things that surprises me is that this government is probably making one of the most significant changes in our social policy, certainly since the end of the Second World War, and it is doing so while at the same time trying to deny that it is taking place. But then again, I am beginning to understand that what the government says and what the government does are two entirely different things. It says it is going to improve the Unemployment Insurance Act when in fact it is diminishing the benefits available to a large number of people and starting the dismantling of the unemployment insurance system.

It is going to improve VIA Rail by doing away with half of it. Now it is introducing a fundamental change in the Canadian social security system without ever even acknowledging that this is what is taking place.

This bill deals with two fundamentalist aspects. One is the whole question of universality of social programs and the other is the credibility of this government, particularly the credibility of the Prime Minister. On both counts the government seems to be determined not to acknowledge that this is what is taking place.

I cannot help but think that much of what we are seeing in this legislation is outflowing from the free trade deal. During the debate on the free trade deal and the discussion during the 1988 election campaign, the government insisted over and over again that the free trade deal would not affect our social programs; that it would not affect our programs like unemployment insurance, health care, pensions and family allowances; that these were programs that would have no impact from the free trade deal. Yet, as soon as the free trade deal was ratified we found out that all these programs were under attack.

There is a harmonization taking place between the social programs in the United States and the social programs in Canada. This means that there is a fundamental change taking place in Canada. The United States has a free market concept even in the area of social programs, that is, the wealthy and the powerful can take care of themselves and then they set up a charity for those who fall between the cracks, those who are unprotected—the weak, the poor and the disadvantaged—and provide them with a few minimal crumbs.

Canada has taken a different approach. We have said there are some social benefits in this country that go to all citizens. We have outlined these. Pensions for the elderly is one area that I will come back to on a number of occasions. The concept is a universal program to which every elderly person based on their citizenship, not on their race, colour, creed, wealth, income, or anything else, is entitled. That is universality.

We have established family allowance, again quite unique from the United States. The United States has no universal family allowance program. We say that every child as a right of Canadian citizenship is entitled to receive family allowance. It is not dependent upon them being from Vancouver, Halifax or Yukon. It is not dependent upon their parents being educated or uneducated. It is not dependent upon their parents being multi-millionaires or are eking out a living. We have said that we have a concept of universality and this bill attacks those two programs.

Let us also take a look at our other universal programs in Canada. As sure as this government succeeds in doing away with universality of those two social programs, it will do away with the universality of other programs.

Let us take a look at them. First, our health care system. The concept is diametrically different from what it is in the United States. There is no universal health care, particularly hospital care, available to those in the United States.

In Canada there is. One of the fundamental rights of being a Canadian citizen is that one is entitled to health care as a universal program.

Education is a fundamental right. It is a universal program in Canada. We have universal unemployment insurance in Canada. The United States does not have any universal unemployment insurance program. What we see now is the government attacking these programs.

Before I go into detail about the pension and family allowance, I want to explain how it is starting to attack the universality of the other programs. Let me take as an example the health care system. The health care system in this country is deteriorating badly. In my own riding of Surrey North we have a crisis. The Surrey hospital is dramatically underfunded. The publicly elected board was suspended some time ago. The public has been kept from involvement in that hospital in order to cover up the difficulties that are emerging in the deterioration of health care. Clearly, part of that is the responsibility of the Vander Zalm government, but the federal Conservative government is also responsible. It has been systematically reducing the transfer payments for health care to the provinces. Last year it reduced it by 2 per cent. This year it has a companion bill to this piece of legislation that will reduce it by another 1 per cent. This is in spite of inflation in the area of health care.

There is a deterioration in the funding level for health care from this government and from the provincial government. In an area like Surrey North, which is one of the fastest growing areas in Canada, there simply is not the funds to maintain the services, let alone the expansion that is necessary in order to meet the growing population.

We have some very ludicrous situations happening in Surrey North. We built a hospital complex, but the two levels of government do not provide the funding for the staffing of it. We now have a situation where the people in Surrey North are disentitled to the universality of health care. They do not get the same health care as one gets in Vancouver or in Montreal or in Toronto. This is a method of eroding universal programs.

The same thing can be said in terms of the decision to opt for two—tiered health care systems. Within the province of British Columbia the government has been sending up trial balloons by proposing that perhaps there should be certain kinds of medical services available to those who can afford it. We now have private clinics springing up. Instead of having to wait for a public bed hospital one can go in and pay if one can pay the full cost.

Ms. Black: One system for the rich and another for the poor.

Mr. Karpoff: That is right. We are not getting universality but one system for the rich and another for the poor.

The same thing is happening in education, which is another universal program. We have a whole series of private educational facilities, even at the elementary level, springing up. As the funding for the public school system is kept down, the calibre and quality of the system deteriorates. Those who have money opt for a private system, particularly when it is funded 75 per cent or 80 per cent by public dollars and all they have to do is throw in the extra 20 per cent.

• (1600)

What we have in this bill is the beginning of the erosion of universality of our social programs. I think it is appropriate that we remind ourselves of the old story of the Arabs and the camel in the tent. The camel sticks his nose in the tent and says all he wants is for his nose to get warm. Of course, when you allow his nose in, then he puts his neck, his front quarters and his hind quarters in and then he forces you out of the tent. The Conservatives have learned that if they tried up front by a major policy decision to say that they were doing away with the concept of universality of social programs in Canada, there would be an uprising in this country, so they are going to do it incrementally, incrementally, incrementally.

Maybe the only Conservative who is honest and upright about this change is the hon. member for Mississauga South, otherwise known as the chairman of the finance committee of the House. He says clearly that it is eliminating universality and yes, it is unfair and yes, it is sneaky. But he is the only one that is willing to admit that yes, it is unfair and yes, it is sneaky. What is behind this bill is a sneaky attack on the major element of social programs in this country, that of universality.

One of the things that we should also continue to remember is that this is an attack on the credibility of the government and particularly the credibility of the Prime Minister. When you look at the statements of the Prime Minister, it is almost incomprehensible that we could be standing here in this House debating this type of a bill. In March, 1984 he said our position is simple and straight-

forward, we are in favour of universality in social programs and it shall not be touched. How do you get from that statement to this legislation if it is not a sneaky move?

Again, when he was talking to the seniors in October, 1988, during the election, he said: "Let me say a special word to the senior citizens. In the future Canada, we'll be doing more, not less, for all of you". Get the words, "we'll be doing more, not less, for all of you". He did not qualify that by saying for all of you earning under $50,000 or for all of you earning under $40,000 in 10 years. He said,"for all of you. As long as I am Prime Minister of Canada, social benefits, especially those for the elderly, will be improved, not diminished by our government which is committed to social justice and fairness for Canadians". How do you get from that statement to today? Sneaky.

What we have here is not only an attack on seniors and families, but an attack on all of our social programs. Maybe the most unfortunate thing for Canada in the long run is that we have had an attack on the credibility of government. People are becoming not only sceptical, they are totally disillusioned. How can you accept a Prime Minister standing up and saying clearly, unequivocally, that we are going to increase programs for the elderly, for all people, and then bringing in a piece of legislation like this?

I want to touch briefly on the substance of the bill because I think the substance of the clawback system has been discussed in the House. I am sure others will deal with some of the technical parts of the bill. Basically we are saying that, because we are going to be only partially indexing the clawback system over the next few years, more and more seniors will lose all of their old age pensions. Who is to say next year that the government will not decide it is $40,000 maximum and the following year $30,000? Once the camel has its nose in the door of the tent, who is going to stop it? I say we stop it now.

If any people accept the statements of the Prime Minister as guarantees, then they are really living in fantasyland. Next year, why is it not going to be $40,000 or $30,000 as the threshold? Do you believe the Prime Minister because he says $50,000 is the limit? No. What we have is the beginning of the erosion of our universal system. They cannot even get the technical parts of it right. A family is not even considered a family unit. A one wage earner family is treated differently than a two wage earner family. At least if you are doing away with universality, get the technical parts of it right.

I want to just turn, in my last three or four minutes, to some of the alternatives. This change is being made in the name of deficit reduction. Everything that the Conservatives are doing, they say that it is because we need deficit reduction. There are many better ways to reduce the deficit, and I will just mention a couple of them.

All you have to do is increase the personal income tax rate for the highest income tax bracket by 1 per cent and you would gain the same amount of money that you would get in the clawback of family allowance and old age pensions. If you were a little bit brave and decided that you were going to increase the tax rate from 29 per cent to 32 per cent, you could in fact dramatically reduce the deficit by $2.5 million.

What we now have is, I think, a very quick sleight of hand taking place by the Conservatives. They are again protecting their friends in the wealthy group. If they raised the tax for all Canadians in wealthy groups, they would have to pay considerably more money than what they will lose in terms of the clawback on family allowance.

I just want to finish with one quick statement. Every organization, the seniors, people representing the Canadian Council of Social Development, have all been very, very clear that this is the end of universality. If the government really believes that it is best for Canada to do away with universal social programs, then at least conservatives should have the honesty and integrity to stand up in this House and say, "We believe that universal programs should be done away with and that is why we are bringing in this legislation."

Ms. Black: Mr. Speaker, I would like to compliment my colleague from Surrey North on his comments. At the beginning of his remarks he made reference to the trade deal with the United States. How does he see the impact of the trade deal on the attack on our social programs in Canada today?

Mr. Karpoff: Mr. Speaker, during the election and the trade debate in the fall of 1988, the government kept insisting that there was nothing in the free trade deal that was going to put pressure on the harmonization of social programs. Immediately the deal is consummated, we find that all of the social programs are being attacked, and they are being attacked in a manner that is going to bring them into harmony with the programs in the United States. They are reducing unemployment insurance. They are doing away with the universal old age pensions. They are scrapping universal family allowances. They are starting to erode our health care system so that we are going to end up with a patchwork health care system like the United States has.

• (1610)

They keep saying that, "we are just doing this because of the deficit", when the reality is that they knew that as soon as they consummated that deal, unless they started to harmonize our social programs, the United States had already served notice on them that it would bring forward actions to have our social programs deemed to be an unfair trade advantage, a subsidy under the free trade deal.

The government is not even willing to take the chance of going through that process and possibly losing at the end. It is taking the attitude that in case we lose, we might as well capitulate. We have seen that in fish. We did not even fight for it, we just gave up our whole processing industry in British Columbia. It is happening in steel.

One of the things they keep saying is that we are not doing it because of the free trade deal, we are doing it because of the deficit. A family that is earning over $100,000 is going to lose $270 per child by this clawback system. Let them keep their family allowance, tax it at a normal rate, but let us increase that marginal tax rate for the wealthy of 29 per cent to 32 per cent and that family would pay $2,250. This government has bought its rich friends another $2,000 in an unfair tax advantage.

Mr. Crosby: Mr. Speaker, I would like to make a comment in view of the remarks of the member from Surrey North and the previous remarks made by my good friend from Ottawa—Vanier. There is always the danger as these speeches are made in the House of Commons that somebody in the gallery or listening on television may actually accept what is being said because it is not always directly contradicted. Anybody who reads the budget papers from April will know very clearly what the extent of this change is, though members have indicated to the contrary.

I want to record some of those facts before I put my question. There are 54,000 high income old age assistance recipients who would repay all of their benefits. This means that those people have incomes in excess of $77,000 net, after all the deductions, after they have taken off all of their preferential tax treatment.

It is so interesting to hear our friends from the socialist party get up in the House of Commons and object to the taxation of these people, to say that is wrong, that we are violating a sacred principle. What we are violating is a sacred cow. You cannot eat universality, you cannot wear it, you cannot put it in the bank. It is the obligation of the government to keep a sound treasury, to ensure that the nation is not bankrupt so that we can continue social programs. How ridiculous it is for members from a socialist party to stand in the chamber and defend people whose incomes exceed $77,000 a year and who are being asked to forgo a portion of the funds that they are getting from the public treasury.

I do not see why anyone would regard that as an unreasonable action, especially a member of a socialist party dedicated to the elimination of poverty, dedicated to helping those in need. Now they refuse to take from those who have in order to give something to those in need. Would you please answer that?

Mr. Karpoff: Mr. Speaker, the chairman of the finance committee expressed it well. It is sneaky what you people are doing because what you are doing is in fact making sure that your rich friends do not pay fair taxes. You could reduce the deficit. All you have to do is increase the marginal tax rate by 1 per cent and wipe it out. I do not care whether the money comes from one source or another, let us tax them all fairly.

The question is, why do you guys not raise the tax for the wealthy right across the board by 2 per cent? Then you will have a fair tax system. What you guys have done is—

Some Hon. Members: Oh, oh!

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

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, thank you for recognizing me for debate on Bill C-28. I am sure that observers of the House, having seen the events of the last moments, would agree fully with a motion that I would like to move.

I give notice that at the next sitting of the House, immediately before the Order of the Day is called for resuming debate on the motion for second reading of Bill C-28, an act to amend the Income Tax Act, and on any other amendments proposed thereto, I will move that the debate shall not be further adjourned.

I am sure Canadians observing the last moments can fully understand why the government is serving notice.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Glengarry—Prescott—Russell—VIA Rail; the hon. member for Cape Breton—The Sydneys—VIA Rail; the hon. member for Edmonton East—Banks—Alberta Business loans portfolio/Reversal of policy—Position of Minister.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-28, an Act to amend the Income Tax Act, the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, the Old Age Security Act, the Public Utilities Income Tax Transfer Act, the War Veterans Allowance Act and a related Act, be read the second time and referred to a legislative committee.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I am somewhat shocked and dismayed that the government would move so quickly to stifle debate on the bill before us today. It is a bill that is going to inflict unknown hardship on the elderly of this country and on those who worked to build this country to make it the great nation that it is today. To move so quickly to shut off debate on this contentious piece of legislation is not in the best interests of the people of Canada, and is taking away from the retirement of our seniors. It will inflict hardships on them that are not acceptable in today's society.

While I welcome the chance to add my voice to the torrent of those who are opposed to the bill, it is with regret that I rise to speak on this matter. Many people of this country believed the Prime Minister's claim that universality is a sacred trust. Further, I loathe seeing how his actions reflect on the respect that the people have for this House, for all members of Parliament and for the truth, as I am sure some of the members opposite are beginning to understand. The actions of the government in introducing this legislation reflect very poorly on all members, on Parliament itself, and on the very idea that this is an institution of truth and respect. Never before has the Prime Minister so blatantly stated one thing during a general election less than a year ago and done quite the opposite almost immediately thereafter.

In fact, on October 16, 1988, when in Summerside, he told the citizens of Summerside, P.E.I.:

> As long as I am Prime Minister of Canada social benefits, especially those for the elderly, will be improved and not diminished by our government.

When in Summerside, did the Prime Minister tell the truth? Did he go on to attempt to explain that he would introduce a clawback, a mechanism that would slowly eat away at the very social benefits he said he would improve? Of course not, because he knew the people of Summerside and the people of Canada would recognize the truth behind his words, that he fully intended to dismantle universality.

Did the Prime Minister of Canada tell the people of Summerside that if re-elected, the next budget he would bring in would shut down their town, that he would move the armed forces base, that he would close down half of the passenger rail service in this country, that he would attempt to make unemployment insurance unworkable? Did he say that he would remove the underpinnings of the orderly marketing systems, that he would trade away

the very livelihoods of farm people behind closed doors, that he would close up a total of 14 military bases? No.

• (1620)

He spoke of the free trade agreement. He said that it would ensure our social programs. The truth was, he was assuring corporate America with the free trade agreement, that we would remove those social programs because our neighbours to the south had nothing to compare with them.

Did he speak of the huge national debt that his government had inflated in the last five years? Did he say the deficit had increased in the last two years from $28 billion in 1987 to $29 billion in 1988–89 and to $30.5 billion in 1989–90? Did he say that the free trade agreement would cost the government $10 billion in lost excise revenue in a year and that that money would have to come from somewhere? It is obvious that some of it will be coming from the scrapping of the universality of our social programs, from a new tax on nearly all goods and services.

Did he mention that his government in five years is responsible for 50 per cent of the national debt since Confederation? No. He and his Minister of Finance hid the truth like a candle under a basket until November 22. They knew the economic record they had created and they knew how dismal that record really was. They knew they would push interest rates up, that they would overvalue our dollar. Even now the Minister of Finance would rather go to court than lift the basket, and release those studies that a newspaper applied for under the Access to Information Act, acting in direct contravention of that act.

The government neglected to point out that as every year passes, pensions become less and less secure and social programs will be less and less universal. The threshold today is $50,000, as outlined in the legislation. By the year 2000, if the clawback is left as it is, it will have fallen to the equivalent of $35,000. It will affect almost 30 per cent of all families that receive family allowance; that is, if the government does not accelerate the rate of the clawback.

The Prime Minister said this would not happen. But look at recent history in the country. The finance minister said when the individual surtax was introduced that it was temporary. Now this bill will make it permanent and raise it from 3 per cent to 5 per cent. The government said the clawback will not be increased, the goods and services tax will not rise from 9 per cent to 13.5 per cent like the present sales tax has under its stewardship. Yet taxes have increased 31 times under this government since September, 1984.

I remember on June 17, 1987, that the Minister of Finance told the country that when the new sales tax is introduced, the personal and corporate surtaxes will be removed. The Minister of Finance has introduced his sales tax so where is the bill to back up his 1987 statement? Where is the clause that removes, as promised, the temporary surtax? What does history show for the future, more of what we have seen since 1984? Does it show the clawback will not be accelerated, the general sales tax will not be accelerated, the once temporary surtax will not be accelerated? I think it shows quite the opposite, despite any assurance the government may offer at this point to the people of Canada.

The clawback is nothing more than a licensed theft. If a private corporation attempted to treat their old age pensions like this legislation is going to treat the old age security, they would be breaking the law. Canadians who paid tax in the early 1950s to 1971 paid a special surtax for their pensions. In fact, the 1979 tax guide stated: "All taxpayers whose taxable income is over $500 are subject to the old age security tax". To take this money back now on their old age security is the equivalent to theft, and the government wants to steal back some of that money. Just a little now, it says, as if that makes it okay.

What is being taken away is the very principle of universality, the principle that our tax system should be fair, a principle that is outlined in this bill and a principle that is depended on by scores of elderly here in Canada.

The chairman of the finance committee knows it. It is what he told his constituents. In a recent letter to one of his constituents he said:

> We have decided to eliminate universality, and we do that in a sense that by the clawback in both family allowance and old age pensions. As you know, it has been a Conservative philosophy for some time that distributions from state ought to go essentially to those in need. While the clawback may be unfair and sneaky it is there.

The clawback, like this government, is both unfair and sneaky, and the actions of the government are uncovering the candle of truth it tried to hide with its words. The government's actions admit what it did not say prior to November 21, 1988. It still will not admit that the government decided a long time ago to eliminate universality, to shut down VIA Rail, to undermine orderly marketing, to privatize unemployment insurance and to cutback universal medicare, and in so doing, change the Canada we have known for the last 122 years.

In that last 122 years since Confederation, Canada has developed as a nation of compassion, a caring nation, a nation that has cared for the elderly and less fortunate, a nation with a safety net that was available to society, a safety net that provided for health care so the elderly could live their retirement free of worry and want, a life of dignity. This bill will strip that dignity away from the elderly and the less fortunate of Canada, today and in the future. This bill is wrong, the clawback is wrong, the government is wrong.

Mr. Funk: Mr. Speaker, I was very interested in the remarks made by the hon. member for Lambton—Middlesex. I think it is very important that we remember that what is happening here flies, as he said, in direct contradiction to the commitments this government made when it was out on the hustings looking for votes. There are a few aspects of the hon. member's remarks that I would like him to expand on a bit.

First, this government tries to persuade Canadians that one of its top priorities is to reinforce family life. I was wondering whether the member might comment on the effect of the particular approach they have taken to the clawback on the family allowances. A family with two incomes gets taxed in a much different way than a family with just one income, even if that income is at the same level. I would ask the member to comment on that.

Second, I would like to ask the member to comment on the fact that the government apparently sees this as a deficit reduction measure, a way to save money and deal with the fiscal problems of this country. I wonder if the member might comment on the justice that is involved in clawing back pensions and the family allowances as opposed to using other sources of revenue which the government might look to in order to solve its fiscal problems.

Mr. Ferguson: Mr. Speaker, I want to thank my hon. colleague for the question. Perhaps I should deal with the family allowance portion of his question first. I am sure that he has a similar situation in his riding as I do in mine. My riding is a predominantly rural riding.

Because of government policies over the last few years, the farm income has dropped dramatically to the point where many farm families have husbands and wives both who have to seek off-farm employment in order to keep the farm operational and in order to subsidize the farm income. Having a clawback apply to their family allowances hits them extremely hard, because the money that they anticipated putting away for their children's education, money that they anticipated would be available for them to buy clothes, to buy food and the finer things in life, will no longer be available to them. In effect, what is happening here is they are robbing Peter to pay Paul. I think this is wrong. The people who are having, for example, to work off their farms, moonlighting if you want to call it that, in order to make ends meet and have large incomes that are being used as subsidies, should not be subjected to this. It is very unfair that this should have to take place in society as we know it today.

• (1630)

In terms of the deficit reduction, I do not think it is at all fair that the government should try to fight the deficit on the backs of the elderly and the less advantaged of this country. As I mentioned a few moments earlier, Canada is looked upon as a caring nation, a nation that looks after the disadvantaged and the people who do not have the same opportunities in one region as they do in another. I think it is blatantly unfair of the government to make such a move as this to try to fight the deficit. The deficit has been increasing and will continue to increase as long as the balance of trade continues to slip, not in favour of Canada, but in favour of our trading partners. Therefore, it is blatantly unfair that the older and the less advantaged in this country should be burdened with having to fight a deficit such as this government is running today.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the hon member for Kingston and the Islands.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, in rising I want to indicate again my unhappiness with the fact that during the speech which the hon. member for Lambton—Middlesex just gave there was not a single minister of the Crown in this House. There is an obligation, it seems to me, Sir, that ministers of the Crown be—

The Acting Speaker (Mr. Paproski): Order. There is a custom in this House not to say anything about the attendance of members. These ministers or members may be outside watching it on television, in the lobby or outside the lobby, or behind the curtain. I do see a minister in the House, but the hon. member should know.

Mr. Milliken: Mr. Speaker, with great respect, I think that there is a tradition in this House that a minister be present in the chamber during discussion of government bills. That is the point I am trying to make. It seems to me, Sir, that that is an obligation.

We had a few minutes ago the spectacle of the Minister of National Health and Welfare waltzing into this House, standing up and indicating that he was going to move closure, then waltzing out again. I say, Mr. Speaker, that shows a contempt of Parliament unparalleled in our history. It is a shocking contempt when, after two days of debate on this bill, for the ninth time in this Parliament we have had notice of closure. No other Parliament in Canadian history has been so burdened with closure the way this Parliament has been under this Conservative administration, the fumbling and bumbling of which has resulted in this dreadful bill that we are debating today.

I can understand the Conservatives anxiety to rush the bill through because they do not want the people of Canada to hear how bad this bill is. They feel that if they can move closure on the bill and ramrod it through this Parliament, then there will not be speeches on the bill through which they as ministers will have to sit. The Conservatives know what we are saying is true. They do not want the Canadian people to listen to speeches that indicate the faults of this bill because Canadians might believe it and, the next time they get a chance, will vote this group out of office. Well they should, Mr. Speaker. There is ample reason for that on the basis of what we have heard today alone.

The Minister of Fisheries is mumbling things from his seat. I invite him to participate in this debate and make his voice heard. Perhaps tomorrow night at one o'clock in the morning he can tell us about it.

Mr. Siddon: Speak on the bill.

Mr. Milliken: I intend to turn to the bill.

I want to make certain points, Mr. Speaker, with respect to the clawback provisions of this bill because that, in my respectful submission, is the most important and evil part of the legislation. It affects Canada's seniors and I am going to deal with that aspect of it. I am not going to deal with the clawback of family allowances although, as I will say at the end, most of the comments I make on the one could be applied *mutatis mutandis* to the other. I will stick to the clawback of the pensions, and I want to say certain things about that which I think are important.

First, the question of a clawback, in my view, is manifestly unfair. Speaker after speaker on this side, of the few we have had on this debate, certainly, and those on the budget when it was debated, have indicated the unfairness of this provision. Our leader, the Right Hon. Leader of the Opposition, in his initial address on this bill indicated his objection to this particular clawback arrangement.

I reiterate that one of the problems with the clawback is manifested by this example. I will indicate a suggestion to Your Honour and see if Your Honour does not agree with me that this bill is unfair in its application and in its treatment of the senior citizens of this country.

Take the position of a senior citizen residing in his own home, fully paid for—the Conservative dream I am sure. It is certainly the dream that we on this side of the House have espoused for Canadians—mortgage free, it is a valuable piece of real estate that is increasing in value every year. His income, including his old age pension, in our example is $50,000. Imagine if after a year or two this senior citizen becomes incapable of continuing to live alone in this home. The house is then put on the market and sold for, say, $300,000. If the person is living in Toronto, that would be easy. It would not be a very great home for $300,000 in the Toronto real estate market the way things have gone under this government.

The senior citizen sells the home, takes the $300,000 and invests the money at, say, 10 per cent. Then his income goes from $50,000 to $80,000. Clawback! That senior citizen loses the pension and moves into rental accommodation. Is that fair? Why should the senior

citizen be penalized for moving into rental accommodation because the person is unable to continue to reside in his own home? Yet that is the effect of this legislation which the government has introduced.

Mr. Siddon: Check the facts.

Mr. Milliken: I have checked the facts with the hon. member for Etobicoke North, my colleague. He knows the facts and he is well aware of what is in this bill. If the Minister of Fisheries disagrees with my assessment he should make a speech because I am right, and he knows I am right on this point.

The clawback will set in and the senior will be deprived of the income from that pension. Mr. Speaker, you are a man of sense. You must agree that this particular provision is unfair, unreasonable and ought to be stricken from the bill.

In addition, I invite you to consider the costs of this particular system. The government says that universality is a sacred trust, pensions are a sacred trust so we do not want to breach our obligation to the electorate. They tried and there was such an outcry that the Prime Minister himself backed off and ordered the Minister of Finance to recant his heresy and withdraw the changes to the old age security pension that were introduced in the Parliament before this one.

Now instead of trying to do it by the front door, the Conservatives are doing it by the back door. Instead of taking away the pension, they say that they will give you the pension but they will tax it all back. That is what they are doing. That is what this is all about.

I want to take a look at the costs of this little proposal of theirs. I have taken a quick glance, with assistance, at the Estimates. I did a quick calculation. I went into the Estimates and I looked at the cost of administering the Department of National Revenue. I looked at the cost of the taxation branch which amounted to the pretty sizeable figure of $946 million. That is what it costs to administer the tax system in this country. That is for all the tax police. I took 80 per cent of that, because 80 per cent of the combined personal and corporate taxation is, in fact, personal taxes in this country. Eighty per cent of the $946 million yielded a total cost of $757 million to administer the income tax portion of our tax system.

That does not include—I want to stress this—the administrative superstructure of the Department of National Revenue; the minister and his car allowance, the deputy ministers and their allowances, the various administrative personnel at the top of the department who do not specifically assign any portion of their costs to this taxation branch. If you do that simple arithmetical calculation on budget figures, not on actuals, I think you will find the cost of raising a tax dollar in Canada is about 7.5 cents. For every dollar the government raises it pays out 7.5 cents to collect it.

Then I did a similar analysis for the cost of paying out the old age pension. The government administers pensions worth almost $12 billion per year according to the 1989–90 Estimates. The costs of administration of those pensions, again according to its Estimates and again without any of the superstructure of the Department of National Health and Welfare, amounted to about $56.35 million. So, the cost of paying out the money to the Government of Canada in the form of old age security pension cheques amounts to 2.1 cents for every dollar paid out.

Under this new scheme, the money is not taxed in once, it is taxed in twice, because the government is going to tax the money first, pay it out and then tax it all back. In fact, you have to double the cost of collection from 7.5 cents to 15 cents and add the 2 cents on for the payment out. You get about 17 cents for every old age security tax dollar that is dealt with in this double-barrelled system the government is proposing.

• (1640)

I know the Minister of Fisheries and Oceans will be working these figures out in his head and double checking my arithmetic.

Mr. Siddon: That's oversimplified.

Mr. Milliken: It may be oversimplified but I have not added in some costs that I cannot calculate. Perhaps the Minister could have the officials of the Department of Health and Welfare do the calculations, and I invite him to do so. I think if he calculated the cost of the loss of interest on the money during the time it is paid out and paid back he would find there is an additional cost. He should add in as well the cost of hiring the extra tax police we will have to hire in Canada to administer the new taxation laws because here we are adding another 84

pages or so to the Income Tax Act of Canada, which is already enormous. Everybody knows the Income Tax Act is too complicated, except the Minister of Finance and the people advising him, who seem to make it more complicated with every passing year, and obviously his supporters on the back-bench who talk about the virtues of tax simplification and do everything they can to make it more incomprehensible and complicated.

I say that in all those circumstances the minister has done nothing to improve the tax law. He is going to have to hire more people and those additional persons are going to drive up the costs I have referred to of 17 cents on the dollar. It is going to go up, it is not going to go down and the ministers of this government are well aware of that fact.

I think those are reasons enough to consider rejecting this unfair tax but, as I said at the outset, every single one of the comments I have made in relation to old age security could be applied to the family allowances. Without having done the calculation, I would wager with any of the ministers present that the costs of administration of that program are higher because the amount of money dispensed under it is lower, and I am sure that more people, based on the dollars spent, are working in that particular branch or area of the Department of National Health and Welfare.

I think that the difficulties I have outlined with this tax and the difficulties I have outlined with this clawback provision, its unfairness, its meanness, its nastiness, and its inability to adjust to the changing circumstances of Canada's seniors in the 1990s, all dictate to us as members of parliament that we ought to reject this tax and vote against this bill.

Mr. Wappel: Mr. Speaker, I would like to compliment my colleague from Kingston and the Islands for his usual analytical, logical and lucid discourse here in the House this afternoon.

I would like him to turn that analytical mind of his to the following comment that I have leading to, I hope, a question, because he was in fact dealing with the clawback. One of the interesting things in the clawback is the $50,000 limit. If we look at the analysis behind that we see, and many members have spoken on this, an inherent unfairness or discrimination in the treatment of that net $50,000 figure, particularly if we are talking about a one-income family as opposed to a two-income family. We can see that as it is presently set up we have a situation where a two-income family, with each person earning under $50,000, would end up not being clawed back. I would ask my friend from Kingston and the Islands to comment on that and on the obvious inherent lack of fairness of that provision.

Mr. Milliken: Mr. Speaker, I thank my hon. friend from Scarborough West for his kind intervention. I know that he has had concerns in his riding with this problem. I know that seniors in Toronto are very concerned about these provisions. I have had the same difficulty in my riding so I know that the question he asks is based on sound experience. What is surprising to me, I guess, is that none of the Conservative members of this House have seen fit to criticize this measure. seniors in their ridings across this country, yet we have heard not a single murmur of disapproval. I guess it is fear of the Minister of Finance and his wrath that dissuades them from making these criticisms.

Mr. Gardiner: It's too bad you can't call them trained seals.

Mr. Milliken: Yes, as my hon. friend says, it is too bad they cannot be called trained seals, but it would be unparliamentary to refer to them in any such way.

I want to answer the question. In my view the suggestion that my friend made as to unfairness in the administration of this tax is manifest in the way that it will be applied to both single-income families and double-income families. My concern is that the single-income family that receives in excess of $70,000 will suffer the clawback, whereas the double-income family, neither member of which receives the $50,000, will be much better off because there will be no clawback. As a result, the double-income family will have a larger income.

I stress the unfairness of that. It is another example of what I was suggesting earlier in relation to the house sale because if there were two family members each earning $50,000, the household would have a net income of $100,000, without any clawback. However, if one member of the family was earning $80,000 and the other was earning nothing, the clawback would apply, and obviously that family would be much worse off than the other with the two incomes. It indicates, in my view again, a

manifest unfairness that on any basis should result in rejection of this bill.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the hon. member for New Westminster—Burnaby.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I rise today to speak against Bill C–28. This bill does involve the clawback of old age security and of family allowance. It is an attack on the seniors of Canada and on the mothers of Canada.

I would first like to address the issue of the special tax on seniors. Fifty–eight per cent of Canadians over the age of 65 are women. These women, for the most part, belong to a generation characterized by low paid labour force participation and, therefore, low pension income. They have raised children and they have contributed over 40 years of valuable unpaid work to our society. Now the Conservative government is again attacking their pensions. The Tory government is saying to these women that their contributions over the years in building Canada, in making this country what it is, are not worthwhile.

I want to tell the Prime Minister that the contributions of which older women have made to this country are valuable. The last attack on seniors was the Prime Minister's attempt to de–index old age pensions. We saw then a powerful movement of seniors. They refused to give up their rights and they refused to be bled dry by this government. This proposed clawback of pensions is another angle that this government is taking to chip away at seniors' pension rights.

Although the government was not successful in de–indexing old age pensions, it did partially de–index family allowances in 1985. This bill constitutes another attack on the family allowance program in Canada. The government made family allowance worth less and less each year in terms of real spending power and now it will tax back what is left. It is just one of the many ways that this government is telling the women of Canada that bearing and raising children is not really important in our society.

It is amazing to me that on the one hand the government is almost attempting to force women to have children through threatened restrictions on abortion and recriminalization, through the slashing of family planning education, through the lack of commitment to research into safe and effective means of contraception, and on the other hand, it is taking away financial support from mothers who have children. Family allowance cheques are the only means of federal income support that goes specifically to mothers.

The universality of our carefully constructed social programs is in jeopardy. The old age security and family allowance programs are the victims of a free trade budget, one that seeks to harmonize our social programs with those of the United States. What we are now witnessing is the Americanization of our social programs and the end to universality.

We need to build a country in which the contributions of parents are recognized. We still live in a society in which women are expected to make personal sacrifices for their families. Women are far more likely to interrupt their paid work to take care of children. Close to 74 per cent of married women in a Statistics Canada survey cited family considerations as a reason for their first work interruption. Family considerations were a statistically negligible factor in the pattern of men's work interruptions. Women suffer financially for doing one of the most important jobs that there is in our society, that of raising the children. This government is making it more difficult for families with children to make ends meet. Women earn, on average, 66 per cent of what men earn in the paid labour force. Those with children need the supplementary income that the family allowance provides.

• (1650)

This government gives two arguments in favour of robbing seniors and mothers by plunging its greedy hands into the pockets of older people and children. I would like to deal with both of them. One argument is that we just cannot afford to treat people fairly. We just cannot afford universality, the Tories say. The Finance Minister sings his familiar tune about the deficit, about the strain on the public coffers. I ask the government why it is not taxing the large, profitable corporations in Canada that pay no tax rather than the seniors and the mothers of this country. I ask the government why it signed the free trade deal which is not only costing Canadians their jobs, but has also resulted in a loss of $2 billion in government revenues due to the lifting of tariffs.

I know that the money must come from somewhere, Mr. Speaker, but I disagree with the government's decision to milk it from seniors and from mothers. In this bill there is a provision for capital tax on large corporations, not an income tax. This tax is applied to capital at a rate of 0.175 per cent on corporate capital in excess of $10 million. I only wish that all Canadians had as good a deal. We need a minimum tax on corporate profits to catch all large, profitable corporations which currently pay no taxes.

The other lame argument is that only the rich are affected. This is untrue. When universality is corrupted everyone will suffer. What was once seen as a right becomes a privilege for the poor. Pensions and mothers' allowances become charities. And since the cut-off point is not fully indexed to the rate of inflation, every year poorer and poorer people are affected. Well-off seniors pay today, middle-income seniors pay tomorrow, and the next day it will be the poor seniors.

The average family income in Canada is about $45,000. Individuals with income $6,000 higher than the average family income will begin to lose their social benefits. As time passes, through inflation more and more Canadians will be caught in the Tory tax trap. The clawback will catch about 128,000 pensioners by 1990. In 20 years over one million pensioners will have to pay back their pensions. If inflation rises by 4.5 per cent next year, the cut-off figures rise by only 1.5 per cent. It does not take a great mathematician to see plainly that most seniors will one day be forced to give up their pensions.

It is not only today's seniors who must fight this outrageous attack on pensions. Those who will be paying most are today's young people who may have no Old Age Security pensions at all by the time they retire. A similar fate awaits mothers who are receiving family allowance. Already a pitiful sum, in 1990 14 per cent of families will have their family allowance clawed back. In 10 years this figure more than doubles to nearly 30 per cent of Canadian families.

The more Tory government that our nation has, the poorer average families in Canada can expect to be. The targeting of family allowance for clawback means that a family with children and an income of $70,000 a year will be paying more tax than a family without children with the same income. This demonstrates clearly the Tory commitment, or lack of commitment, to families and to children.

This bill has been formulated without consultation with seniors and without consultation with women. The government refused to meet earlier this year with representatives of more than 500 women's groups who came to Ottawa specifically to talk to the government. This government thinks it can just ignore seniors and just ignore women. It believes it can bring in severe and regressive economic policies without repercussions from those most affected, from those who are impoverished by them.

This government and this Prime Minister cannot be trusted. In 1984 the Prime Minister said: "We are in favour of universality in social programs and it shall not be touched". In 1988, before the election, the Prime Minister said: "Let me say a special word to the senior citizens. In future Canada will be doing more, not less, for all of you. As long as I am Prime Minister of Canada, social benefits, especially those for the elderly, will be improved, not diminished by our government which is committed to social justice and fairness for Canadians".

This government promised not to touch social programs. It has no mandate to decimate social programs the way it is doing now. Before the last election this government promised free trade would not affect our social programs. The government has no mandate to Americanize our social programs. This is a despicable way of worming into a universal program and destroying it.

This is why I have risen today, along with my other New Democratic Party colleagues, to protest the passing of this bill. I will join my colleagues and other activists outside the House of Commons to put a stop to this attack on our social programs and to end this discrimination against mothers and against seniors.

Not even all the Conservatives ignore the effects of their actions on seniors and women. The Tory finance committee chairman wrote: "We have decided to eliminate universality. While the clawback may be unfair and sneaky, it is there". I ask government members to reconsider their unfairness to seniors and to women, to change their minds about dismantling our social programs, to realize once and for all that seniors and mothers should not be made to pay for Tory mismanagement of our economy.

The Acting Speaker (Mr. Paproski): Questions or comments, the hon. member for Prince George—Bulkley Valley.

Mr. Gardiner: Mr. Speaker, I listened with great interest to my colleague from New Westminster—Burnaby who gave a very excellent speech on the impact that this bill is having and the shilly-shallying we are getting from the other side.

I have a quick question to the member and it has to do with universality, a lot of which we heard about today. The members opposite talk about the bank president who gets all of these benefits through our universal programs. I would like her to get up if she could and just comment on a definition of universality. What does it mean to us in Canada? What have we fought for in this country? What are the Conservatives doing to destroy universality?

Ms. Black: Mr. Speaker, I thank my colleague from Prince George for his question. Universality, of course, means that all people in our society should be eligible for the social programs like family allowance and old age pensions. We know that if there were a fair tax system in this country then all income would be taxed at a rate fair to our citizens. If you were at a very high income level, yes, you would pay more in tax, but all of your income would be included. It seems rather bizarre that in this policy to claw back the family allowance and to claw back the old age pension, some families will be taxed at one level while other families without children will be taxed at another level.

The whole idea behind universality is that it is universal. There is no means testing. It has dignity for all of Canada's citizens. This, I fear, Mr. Speaker, is what we are losing with this proposal to claw back.

The Acting Speaker (Mr. Paproski): It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

AGRICULTURE

WESTERN GRAIN STABILIZATION ACT

Mr. Vic Althouse (Mackenzie) moved:

That, in the opinion of this House, the government should consider the advisability of introducing measures to amend the Western Grain Stabilization Act to include coverage for producers who feed their own grain to their livestock.

He said: Mr. Speaker, I rise today in private members' business to discuss a proposal which I have before the House as Motion No. 310, which asks the government to consider the advisability of introducing measures to amend the Western Grain Stabilization Act to include coverage for producers who feed their own grain to their livestock.

The reasoning behind this is that I and many other Canadians in the agricultural business feel that there has been a form of discrimination in the way that we have formulated our stabilization laws over the past 30 or 40 years.

At the outset let me say that I had intended that this legislation would cover all of the stabilization acts in the country, but there was apparently a drafting error in that I had intended the motion to include not only Western Grain Stabilization Act but also the Agricultural Stabilization Act. Since I cannot amend my own motion, subsequent speakers, I presume, will be so doing. For purposes of my opening remarks, I would like to consider that both forms of stabilization program be included in the discussion.

I think that 40 and 50 years ago in Canada, agricultural economists and policy-makers seemed to be of the opinion—and this was the era when I was very young—that they had to provide policies that would encourage producers to focus on the production of a few items instead of the broad range of family farm production. There was a tendency among the bureaucrats and some of the politicians of the day to encourage the concentration of production into a few commodities.

Since that time, both the agricultural community and even some of the bureaucrats have noted that there are some problems going in this direction, because one can go too far. What we are left with is a series of policies that still encourage the production of single crops, or very few crops, and the encouragement of specialization into a very few commodities being produced on any one particular farm.

This has created some problems, both at the farm level and in rural communities, because by going too far in this direction we have ended up with programs like the Agricultural Stabilization Act and the Western Grain Stabilization Act, which presume that everyone should be producing grain for sale and not for secondary production on their own farms. In other words, they are

discouraging the secondary production at home and the adding of value to grain and forage production at the farm level.

The effects on the rural community have been quite noticeable. If we worked in a system that encouraged add-on and secondary production at the farm level, we would find that more people can be employed on fewer acres than is the case where you encouraged the specialization of grain production alone. Very few people on a great many acres is the result, and rural communities fade and die and, in fact, have disappeared on much of the prairies and other parts of Canada as well, but particularly on the prairies.

That has been encouraged in part by the view of stabilization that has been obtained since the early 1950s and which is reflected in the Agriculture Stabilization Act and in the Western Grain Stabilization Act. The result has been that we find some rather silly inequities.

During the past number of years there have been fairly large payouts under the Western Grain Stabilization Act and under the Agriculture Stabilization Act on grain because the grain market was very depressed. Those farmers who produced their grain for sale off the farm received relatively large subsidies to help offset the difference between the very low market price and their relatively high production costs. The result was that producers who were in grain only tended to get paid almost all of their production costs after the stabilization payments were received.

However, those producers who chose instead to feed all or part of their grain on the farm and engage in secondary production, which is good for the economy, better for the environment, and has a host of good social objectives tied to it, were in effect told by the signals from the law regarding stabilization payments that their type of production was no longer needed and was not appreciated. The effect was that they received less money for their grain production than their neighbour down the road.

There were ways around it that some enterprising individuals used. Some divided their cattle feeding, hog feeding, poultry or dairy operation from the grain producing sector and purchased it as a separate entity and made the grain production eligible thereby for stabilization payments. In general, people who fed their own grain were feeding relatively high cost grain in competition with feeders who were buying grain at the market price which was lower cost to the feeder who was purchasing the grain. His costs were actually lower than the cost to the person who was growing his own under those conditions. That set up an unfair situation which I think government policy should not be encouraging to continue.

A number of organizations have pointed out the unfairness of this from the UPA in Quebec, *l'Union des producteurs Agricoles*, and the Canadian Pork Council which represents all of the provincial marketing boards across the country. I could go through the rather long list of organizations that have indicated that changes to these stabilization programs are needed, including the Ontario Federation of Agriculture, the Christian Farmers Federation of Ontario, the Ontario Cattlemen's Association, the Ontario Chicken Producers Marketing Board, the Ontario Egg Producers Marketing Board, the Ontario Milk Marketing Board, the Ontario Pork Producers Marketing Board, the Ontario Sheep Marketing Agency, and the Ontario Turkey Producers Marketing Board, just to mention the groups in Ontario. National groups include the Canadian Federation of Agriculture, the National Farmers' Union; regional groups include the Prairie Pools Incorporated and others that I have already mentioned.

Various academics have looked at the question and have concluded that the stabilization payments should include farm-fed grain.

Daryl Kraft, an economist from the University of Manitoba, recommended that in his March, 1988 study of the Income Stabilization and Eligibility of Farm-fed Grain. One of the options under the Grains 2000 report included a farm-fed grain option being part of the stabilization program. Indeed, the need for farm-fed grain being included in stabilization programs is universal enough that there is no argument needed to convince legislators who make up this House as private members that it is needed.

• (1710)

The cost disadvantages have been quantified by various studies. Whether the study by Daryl Kraft is used, or

the study from the Ontario Park Producers Marketing Board, there are a variety of ranges of figures for the various commodities. Just to give you some idea of what sort of disadvantages this particular administration of the stabilization programs can produce, Mr. Speaker, I suggest you look at the figures provided by the Ontario Pork Producers Marketing Board. They estimated that producers who grow their own feed are at a disadvantage compared to producers who buy feed of about $6.30 per hog or 7.7 per cent of their cash costs. They state that the economics of the situation will dictate a move both away from land based operations and towards large integrators who buy their feed, or even to a movement of hog production completely out of the province. That is the problem.

A similar distortion exists in the poultry industry, in the dairy industry, and in the beef industry. It is there. I will not go on boring you with a series of numbers, Mr. Speaker, I have some that would show that in the cattle industry the losses per head are much larger than with pork.

The only thing that has held back legislators and administrators up to this point was that previous to three or four years ago they could not see any workable way of administering this kind of a program. I submit that there are now several provinces that have been experimenting with programs to pay producers under slightly different programs. The administrative procedures that they have come up with would work in administering the stabilization acts that I mentioned in my remarks.

The province of Alberta has provided a system whereby it has attempted to pay the so-called Crow benefit to producers. I do not agree with the payment of that benefit as a matter of policy, but Alberta has created an administrative procedure which is possible to copy. It has simply computed the conversion factors for grains into beef, into litres of milk, into dozens of eggs, into pounds of poultry meat and decided that if the farm can show that it has produced *x* number of pounds of production of those commodities it will simply apply a mathematical formula to that and arrive at a presumption of how much farm-fed grain must have been consumed on that farm in order to have that level of production. It deducts any feed purchases from that and the difference is a farm-fed grain. The subsidy is paid on the basis of the tonnes of grain that are produced from that formula.

The formula is there. The administration has been tried in Alberta and is now being copied under similar programs in Saskatchewan and in Manitoba. That formula could be applied under the Agricultural Stabilization Act and under the Western Grain Stabilization Act to provide a payment for farm-fed grains, with the result that there would be no discouragement on the part of government programs. There would no longer be discrimination against those producers who chose to feed livestock, or poultry, or dairy cattle on the farm. It would stop being an impediment to the continuation of secondary production at the farm level. It would permit those communities where the individuals so wish to engage in value-added production at the farm and in their own communities.

This has good implications for the social fabric of those rural communities, and also for the total environment for all of us, because it would tend to disperse livestock production, making not only the accompanying smells easier to deal with, but the accompanying by-products and manure easier to dispose of and more available and useful to the soil for incorporation to continue the production cycle.

It has the advantage of being acceptable in a social context, in an environmental context, and I believe, since it has all these things going for it, that it is also high time that it was acceptable in a political context. The House, as private members, should approve the motion as it should be amended and recommend it for immediate action to the government.

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, Canada's grain industry has been faced with a number of economic pressures in recent years. World grain subsidy battles, heavy debt loads, and drought have created hardships for agriculture and rural Canada. The agricultural trade environment is changing rapidly. In dealing with these facts, we have relied to a large extent on *ad hoc* government support programs. Farmers clearly need the assistance to improve their long-term financial stability.

Farmers across the country agree, as well, that there has to be a better way than the *ad hoc* methods that we have fallen back on over the last few years. There is also a general agreement that whatever we do, it must be

consistent with our international efforts to reform agricultural subsidies.

In recent years support programs have paid out very large amounts. Crop insurance payments last year were close to $1 billion. The Special Canadian Grains Program paid $2.1 billion in two years to offset low grain prices brought on by those international subsidy wars. Payments under the Special Canadian Grains Program were made on a wide variety of crops, and farm-fed grain was included.

This year, the Canadian crop drought assistance program paid out $850 million to help farmers who suffered drought losses in 1988. We have in that drought program a graphic illustration that no matter how you design an emergency program, there will be perceived inadequacies and cries of unfairness. The administrators of *ad hoc* programs have to develop artificial criteria, criteria outside of the market-place and, therefore, unreal. They have to draw lines. Some individuals find themselves on the wrong side of the line. If the lines are moved, adjusted, or redrawn, there are still an equal number of people who find themselves on the wrong side of the line who may harbour feelings of unfairness.

Ad hoc programs, like special grains 1 and 2 and the crop drought assistance program, as well as the contributory programs, like crop insurance and WGSA, have delivered huge sums of money which have helped to keep the prairie grain sector afloat over the past several years. Indeed, the recent Economic Council of Canada report, which is entitled "Canadian Prairie Farming, 1960–2000" at page 8 states:

> In the wake of the sharp decline in world grain prices and of the international grain price war, the Canadian government provided additional support to prairie farmers. In 1987, direct payments under the Western Grain Stabilization Act and the Special Canadian Grains Program amounted to $2.2 billion, or roughly $17,000 per prairie farmer. Direct and indirect payments under numerous other federal and provincial farm programs added roughly another $1.8 billion, bringing the total up to $4 billion, or about $31,000 per farmer. Thus, during the most recent years, government support accounted for nearly all of the net farm income on prairie farms.

There is no question that that historic level of support was entirely justified. One would hate to imagine the state of rural Canada without those programs.

• (1720)

The fact is that emergency programs cannot possibly be fine Tuned down to the point where they are deemed to be absolutely fair for every single producer. It is simply not possible to reach perfect fairness and equity between individuals under ad hockery, any more than it is possible to have perfect fairness and equity between producers in-sofar as the effects of weather or climate are concerned.

The bottom line is that we must develop better long-term programs for Canadian agriculture, programs like enhanced crop insurance, programs like a contributory income assurance plan so that participating producers can exercise some independence of judgment and tailor safety net programs to suit their own needs, programs that work so that *ad hoc*, emergency type programs will not be needed in the future. That is the desire of this government and of the farm community generally. We look forward, with anticipation, to seeing the results of the current agricultural policy review.

The issue we are discussing today, inclusion of farm-fed grain in the western grain stabilization program, is not new. Western Canadians have argued that farm-fed grain should be included. The western grain stabilization program provides protection to farmers based on the amount of grain they sell. If they feed their grain on their own farm, they do not have the eligible grain sales necessary to contribute levies to WGS and ultimately to receive payments. This inequity is a major cause of concern to farmers. Large payments through the program in recent years have heightened awareness of the situation. Farmers in other parts of the country want changes too. For instance, maritime farmers who feed a major portion of the grain they produce to livestock want stabilization; so do Quebec and Ontario producers.

The matter of inclusion of farm-fed grains was discussed by the agriculture committee of this House in January of 1986. In the report that was filed by that committee, farm-fed grain was considered and this statement was made:

> It should be only for the final products marketed that the producer receives market risk protection under the *WGSA* or the *ASA*. In the case of livestock producers, they face the livestock market but not the grain market risk. Treating livestock producers as grain producers means the grain may be covered in the raw form and again as it goes into the final product.

There was mention of a possible double benefit, depending on conditions. There was also mention made by the committee benefit and, of course, of verification of sales, to say nothing of the cost. The recommendation at that time was that undesignated sales remain ineligible under the WGSA.

Nonetheless, with farmers in all agricultural regions of the country asking for change, it is clear that a broad look has to be given to this issue. That is exactly what is being done. A major review of grain income stabilization began over a year ago. This review is examining options for a national stabilization program for all farmers. It is an attempt to treat all farmers in an equitable way.

The review process began in the summer of 1988, when representatives of government met with farm leaders in all regions. Through these meetings, government was provided with guidelines which were used to develop options for a new stabilization scheme. A number of options for stabilization were subsequently developed by Agriculture Canada's national grains bureau in Winnipeg. These options were presented to farm leaders who met again in Winnipeg last January. The farm leaders indicated they would continue to discuss options for grain stabilization with their members.

One message that came through clearly in these meetings was that the farm groups favour a national approach to grain stabilization. They want that approach to be as fair as possible to all producers, and they want the issues of eligibility and production neutrality addressed. The process has been productive and it continues.

In the meantime it should be understood that this government has already taken some steps to provide better income stabilization for farmers. Of course, further reforms are being looked at, but I think we should outline the progress that has been made. This government, back in 1984, made a commitment to improve the WGSA and that commitment was met. In February of 1985, the act was amended to allow for timely interim payments to be made before the end of the crop year, in time to assist farmers with their spring seeding expenses. Since the amendment, interim payments totalling about $2.4 billion have been made.

Significant improvements were also made to the WGSA in 1988, amendments designed to encourage greater participation in the program and to put it on firm financial ground. These included a $750 million federal write-down of the WGSA's deficit. Without this write-down, the future of the program was in doubt. Nine crops were added to the list of crops eligible for contribution. Amendments also raised levies in the jointly funded program. To encourage more farmers to join, a 10 per cent penalty for rejoining producers was removed.

These changes to WGSA were made as part of this government's strategy to strengthen and improve the safety net system for grain farmers.

We are currently involved in a review of every facet of Canadian agricultural policy. Grain stabilization is just one area that this government is looking at with a view to the future.

In closing, I want to commend the member for Mackenzie for again raising the matter of farm-fed grains. It is an old problem but one that ought not to be overlooked. It is a difficult problem. It is being examined and hopefully can be addressed in the over-all policy.

Finally, I want to say a word about Bill C-36, the advance payment for stored grains legislation. We all know that Canada faces a very difficult national debt problem and the interest payments to service that debt, created by past governments, are choking the ability of governments today to be able to deliver the programs that farmers need. In order to cope with that deficit, an interest payment problem, all departments of government were asked in the budget this spring to make some sacrifice in the national interest. One of the things that agriculture was asked to give up was the interest fee provision for advance payments.

Many of my constituents are now telling me that they recognize the fact that the budgetary decision had to be made. Some may not like it but they do understand it. What they cannot now understand is the failure of this House of Commons to effect speedy passage of Bill C-36 in order that cash advances can be drawn.

This government is ready, willing and able to effect speedy passage of Bill C-36. I urge my fellow members and colleagues to support speedy passage in order that

those farmers who wish to take out cash advances on farm stored grain can do so.

It seems to me at this point that the stalling of that legislation, for whatever reason, partisan or otherwise, is not in the best interest of producers. I urge my hon. colleagues to co-operate with this government and with the farm community in this regard by co-operating in regard to Bill C-36.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I appreciate this opportunity to join in this debate. I certainly hope that I do not follow the habit of the previous speaker who forgot what he was talking about half way through his speech. The NDP is asking us to support the motion that the government should consider the advisability of introducing measures to amend the Western Grain Stabilization Act to cover what we commonly call the farm-fed program.

When the member spoke he turned his attention to Bill C-36. The government has continually used Question Period to ask itself why the opposition is opposing it. Perhaps if the government looked at what it is trying to do, it would find that the opposition has some very good reasons for opposing that legislation. I am not going to take the time of the House to review what is already well-tread ground, but will simply state that there is every reason not to turn over to the government right now our support for Bill C-36, and we will continue to oppose it until the government agrees to our amendments.

The issue of helping out the family farm is one that has been very much on the minds of western Canadian politicians for some time now, and I can only add my own voice to our concern. You begin to say to yourself, how is it that the family farm got into so much trouble? I think we have to turn ourselves back to the strategy followed by this government for the last five years.

The most important cornerstone of the present strategy of the current Conservative government is to try to force the farmers into an international market in which they cannot compete. What we are seeing, for example, in the free trade legislation, is one measure after another by the Americans to undercut the family farm. We see the pork producers in western Canada under tremendous strain. We see that the provincial government of Alberta has had to bail out one producer while another producer in another community was laying off people.

We have seen the farmers in Quebec complain about new regulations under free trade. We have seen the concern by the dairy producers. In fact, the Deputy Prime Minister has had to strike a special committee to try to untangle the mess that has been created by a combination of free trade legislation and GATT rulings.

• (1730)

We are also beginning to see more problems in the poultry industry as a result of measures not taken by this government. Once the farmers in that particular sector of the agricultural industry see that they are going to be under equal stress, I think will have the makings of a major revolt against current Conservative policies.

As many will remember, this is the party of Diefenbaker. This is the party which stood originally for the western Canadian farmer. Once again, we see them abandoning the very constituency that they used to build their power base in Canada. That is why the Reform Party continues to remind western Canadians that the Conservative party no longer represents the interests of the farmer and of people in Alberta. I think we will see one vote after another until this party changes its strategy and begins to listen to the opposition from all three parties on this side of this House. This government will be in considerable difficulty there.

There was an article in *The Winnipeg Free Press* recently about the stress on the family farm. For example, as the push comes on the farmer from the bank, from the lack of price support and so forth, at least one person if not both people are forced from their farm to take part-time work. In rural areas in western Canada women in particular are being forced to leave their traditional roles, sometimes against their will, to take on other roles in the community. I think that should be studied by the House. I hope that the agricultural committee will take on some initiative in assessing just how the family farm is being pushed around by this government.

The stress is also felt by the very fact that so many western Canadians spend their winters and their falls undertaking special seminars. For example, next week in Brandon, Manitoba, for the second time, the weekly newspapers across Manitoba are sponsoring a seminar to

talk about stresses on farms to see what they can do to change the present regime.

Our party supports the motion, as I stated at the outset, but there is some difficulty. Perhaps, if the government had listened to the opposition back when it was discussed in the agriculture committee in 1986 as the previous member stated, we would have been able to come to some agreement on how to best monitor the farm-fed issue.

We must set up some regulatory regime which does not overwhelm the farmer but somehow sets out a control mechanism so farmers can begin to act more independently while there is a true costing arrangement and a true stabilization process involved that does not cause the government to have to expand its workforce or cause farming families to have to increase their paper load.

It is not clear from the motion that its movers understand fully just how complicated it is from this point of view. I can only hope that as this debate continues through the House in the coming months we will be able to clarify the best ways of helping the farmers out on this particular issue.

Farm-fed grains are currently not included under the Western Grain Stabilization Act. The Grains 2000 study which this government is supposedly using to formulate agricultural policy in this area has recommended that farm-fed grain be included under the Western Grain Stabilization Act. Those policy makers who are examining the move to a tripartite system for crop insurance and income stabilization programs feel that farm-fed grains should come under the act. Mixed farmers would certainly appreciate a little help as they try to deal with the economic hardship caused for the most part by the misguided economic and agricultural policies of this government.

By adopting this motion we will create the opportunity to help mixed farmers with their immediate problem. By allowing them to receive a benefit for farm-fed grain, they will be able to keep their herds at a level that is dictated by a market need instead of a financial crisis which they are all in. The reality is that there will be no help coming from the Progressive Conservative government and its Prime Minister.

In particular, I hold responsible the Deputy Prime Minister who should know better, given his criticism of governments dating back to the mid-1970s. The Western Grain Stabilization Act no longer serves the western grain economy. Its only reason for existing is to serve the crass political manoeuvring of a government known for its intellectual corruption as much as for its lack of compassion.

So far this year there has been no payment from the Western Grain Stabilization Act. It is unlikely that there will be any payments later this year. Last year, before the election, the western grain stabilization program made record payouts to farmers. When we consider how the government this year is claiming to be so cash short, it is odd to remember just how easily it was able to find moneys last year, whether we are talking about this particular piece of legislation or the western diversification fund. After the election, it was discovered, lo and behold, that the government used the wrong formula and overpaid the farmers who received benefits from the program. Surprise, surprise.

The government sent out notices telling the farmers that they had to pay back all the excess funds. This is the new Tory philosophy: they do not have to buy votes; they only have to rent them.

This government must come to its senses: stop playing the cat and mouse game with farmers and start coming up with policies that will help strengthen our farm sector. In this vein we support the motion.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, indeed it is a pleasure to stand in the House and actually whole-heartedly endorse and support the motion by the hon. member for Mackenzie, my colleague from Saskatchewan.

I was not quite sure, in listening to the remarks from the member for Swift Current—Maple Creek—Assiniboia speaking on behalf of the government, whether in fact government members intended to support this particular motion. I got the distinct impression that they were not going to and find that very disappointing.

Not only did I find his remarks disappointing in that he implied there would not be support coming from the government, I was also disappointed that he never dealt with the substance of the hon. member's motion. Rather, he dragged red herrings across the trail of the debate by dealing with issues like the drought payment, trying to cover up the government's poor track record with re-

spect to that program, and dragging out again the issue of the advance payments.

As farmers very well know, it was 152 days from the time the government did not provide the money in the budget to cover those payments until it introduced an acceptable bill. Since then the opposition has been debating for about 20 hours. I found it very unfortunate that the member tried to use that particular argument in the context of this debate.

What I really found unfortunate is that it appeared that the hon. member for Swift Current—Maple Creek—Assiniboia at a very fundamental level did not understand what the hon. member for Mackenzie in fact was saying, that the livestock producer who uses farm-fed grain is discriminated against under the present system. The member for Swift Current—Maple Creek—Assiniboia implied that while the producer of farm-fed grain might not be covered under the grain stabilization program, that farmer, however, would then become eligible for coverage under the livestock stabilization program to compensate for that.

That is not the case because the livestock stabilization program uses the market value of that grain in computing the formulas on which the payouts under the program are based. The problem is that the market value does not include the value that people who are eligible for stabilization get from the grain stabilization program. The amount that people get under grain stabilization is not part of that market price. Therefore it does not get figured into the formula to arrive at the payout levels of the livestock stabilization program. I think it is a very clear case of livestock producers who feed their own grain being discriminated against.

It is very unfortunate that the member perhaps has based the opposition of the government to this particular motion on something that is not even factual and a complete misunderstanding of the situation.

The second argument that the member used was that as a result of some past discussions on the subject it has been deemed to be administratively difficult or impossible to arrive at a fair formula for a fairer system for administering the inclusion of farm-fed grains. Again, the member could not have been listening to the hon. member for Mackenzie, because he explained in some detail how the government of Alberta, followed now by the governments of Saskatchewan and Manitoba, in fact has evolved a very workable system to incorporate the very features into provincial programs that he is calling for at the federal level to be included in the Western Grain Stabilization Act and the Agricultural Stabilization Act.

I think the member for Mackenzie dealt very well with the question of administration. It always seems a little ironic to me that we are dealing with a situation where I understand there are 400 planners in the Department of Agriculture. I am not saying those people do not do good work or that they are not good people. I presume they are.

• (1740)

There are 400 planners in that department, and it always seems a little ironic to me that something that can be understood by most farmers, and was eloquently outlined here by the member for Mackenzie, should be something that 400 planners cannot manage to incorporate into a government program.

I guess those are the same 400 planners who are holding jobs that probably pay $30,000, $40,000, or $50,000 a year and who shortly are going to release a document on behalf of the Minister of Agriculture saying that farmers should be less dependent on government handouts. When you consider the source of that kind of wisdom you sometimes must wonder about the equity of what we are dealing with.

The other point that the member for Swift Current—Maple Creek—Assiniboia raised in suggesting that perhaps he would not be supporting this legislation was that somehow or other it ran afoul of international trade laws and that since we are having so many problems in other areas perhaps this would simply compound that.

I think that is really unfortunate because the grain stabilization bill and the Agricultural Stabilization Act are specifically dealt with I believe in the free trade agreement with the United States and, as well, are fully concurrent with the GATT regime.

Therefore to enhance the agriculture industry through this particular measure would in fact be utilizing a mechanism that is recognized in the international community and would show some leadership in the international field by developing a way to support integrated

farming operations through a support program which does not distort trade in the international arena.

I hope we have not heard the last word on the intentions of members opposite because I would very much like to plead with them to support this particular initiative. I think the member for Mackenzie has introduced many good ideas on agricultural programs into the House through the years. I think his contribution here needs to be recognized for giving leadership not necessarily on a partisan basis but for offering a very progressive and forward looking perspective on agricultural questions. I think he is respected by farm organizations from coast to coast, as well as by members opposite. It seems to me that on something that makes as much sense as this it only seems right to support the hon. member.

This is a votable motion with five hours of debate. One of the objectives of introducing that kind of system into this House, the private members' system, is to allow private members some input into the general direction of government policy, the policy if you will of this House. Even though we are engaging in a major agricultural review at this time, I think this would be a clear direction from all sides in this House that this is a direction in which we would like to see agriculture go in this country.

I would also like to indicate briefly a few of my own reasons for supporting this motion. I agree with the hon. member that the whole trend toward specialization as opposed to mixed farming is in many ways a dead end. It is a dead end socially. It is a dead end environmentally. It is a dead end economically. I think that is becoming more and more evident to more and more farmers, certainly to policy makers and to the public at large.

I think we have to do everything we can to maintain the family size unit, the average size farm, the smaller farm in this country. We are losing farmers so fast it is getting hard to count them.

We look at alarming statistics such as in our own province of Saskatchewan where they say that the average farm is about 1,000 acres. However, those statistics do not say that only 14,000 farms are 1,000 acres or bigger, while 39,000 farms are under 1,000 acres in size. That means there are only 14,000 farms which are considered to be commercially viable, while 39,000 farms are vulnerable if they are based entirely on grain production. In our province we are experiencing not only farm loss but a general population loss.

I think this kind of initiative is most timely but in fact might well be too late for a lot of people. I think as well that when the government talks about sustainable agriculture it behoves us to start looking at these kinds of initiatives very seriously. We are obviously mining our soil at a rate that we cannot maintain, and we cannot close our eyes to this situation forever.

I have farmed for the last 14 years, and family and neighbours farm as well. Short-term economics have been pressing in on us and probably causing us to adopt some practices we would rather not accept, but I would certainly like to see us take seriously the whole issue of soil conservation, of stewardship of the land and of our resources.

Having said that, I would like in closing to move the amendment that the hon. member intended to be a part of this bill but which through the drafting did not appear. I move:

> That the motion be amended by adding after the words "Western Grain Stabilization Act" the following:
>
> and Agricultural Stabilization Act.

The Acting Speaker (Mr. Paproski): On debate, the hon. parliamentary secretary.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I would like to begin by expressing my gratitude for the opportunity to participate today and by saying that I very much enjoyed the time which I was able to spend on the Standing Committee on Agriculture with the hon. member for Mackenzie. I always found his contribution in committee to be thought provoking and invaluable. Certainly I listened with care to his remarks again today and found them to be equally enjoyable.

I am also pleased to note the amendment which has just been moved, Mr. Speaker, because I think, as all of us in this House understand, it is exceedingly important that issues such as farm-fed grain be addressed on a national basis. There are unfortunately so many problems in agriculture today that to try to address them on a

regional basis would not do justice to the nature of the motion before the House. I believe the amendment which has been moved is certainly an appropriate one. I would have been distressed had the proposal been only to look at the western Canadian stabilization program and not the Agricultural Stabilization Act.

Mr. Speaker, as I think you know, the whole issue of farm-fed grain is one of many of considerable importance which is currently being addressed by the federal government and its representatives in co-operation with provincial governments and with farm leaders throughout the country. There have been a number of meetings, the objective of which is to try to add to the degree of stability which unfortunately is not always present in agriculture. Quite clearly it has not been present in the last two or three years.

I have looked forward with some anticipation to the results of those meetings because, although I am very proud as a member of this government of the amount of financial assistance which we have been able to provide to Canadian agriculture since 1984—and I think most people in this House who remember understand that there has been a record amount of such financial assistance—I continue to be frustrated and troubled by the fact that *ad hoc* programs are never fully adequate for the needs of those who are participants in them.

Unfortunately it is virtually impossible to devise *ad hoc* programs in such a way that they are always equitable or at least perceived to be equitable. Certainly, without doubt, while the drought program for 1988 is providing a much needed $850 million to Canadian farm producers, it has created a great amount of administrative difficulty due to the fact that we are dealing in many cases with inadequate documentation of crop reduction.

I truly hope that one of the results of the meetings which have been taking place in the last few months will be fewer programs in agriculture, less dependence on *ad hoc* programs, and that with the type of insurance programs in place the farm community will be able to determine well in advance what its rights are and what the level of protection will be, much in the same way that an urban resident is able to take out fire insurance on a house or something of that nature. We need that kind of stability.

There is no question that there is a difficulty within the western grain stabilization program and with agricultural stabilization at the moment in that people who do feed grain on the farm—and that is some 30 per cent of all grain production in the country or about one-half of the cereals if you exclude wheat from that calculation—are not eligible to participate in the western grain stabilization program, to use that as an example.

• (1750)

Consequently there is a feeling of frustration and unfortunately what happens is that very often farmers reorganize their business so that in a sense there will be two businesses. They split their operations so that family members in one case can produce grain and sell it to another family member in order to enhance their likelihood of being able to participate in the western grain stabilization program. That has been a problem and continues to be a problem. I know it is one of the areas of concern of those who participate in those meetings to which I have already referred and which they will certainly be addressing.

The difficulty with this program is not unique to western Canada. The concerns are there in the maritimes and other parts of Canada as well.

However, finding a solution to this problem is not simply a matter of adding farm-fed grain to the stabilization programs, whether it be the Western Grain Stabilization Act or the Agricultural Stabilization Act. In fact, in so doing we might be in some danger of creating another set of inequities to replace those which are currently there.

For example, some dairy producers already have the cost of producing grain built into their milk prices. To make such grain eligible for grain stabilization payments as well could amount to duplication and of course would be inequitable to other producers.

The main motion deals specifically with the idea of including farm-fed grain in the western grain stabilization program. I think there are two or three points that need to be addressed, because it certainly is something that the committee on which I had the honour to serve as chairman back in 1986 spent a lot of time addressing. As a previous colleague has already indicated, however, we were not able to resolve some of the problems which were then before us.

For example, to include farm-fed grain in the Western Grain Stabilization Act would require a fundamental change, and that is a change in the basic structure of the program itself. The WGSA, as most members of this House know, would have to then become a production based program rather than a program based on recognized commercial grain sales.

As already indicated this would present its own set of issues. For instance, the collection of good yield data would be essential to a production based program. Certainly the need for that yield data is there, but it is readily apparent from the drought program that crop insurance statistics by themselves are not sufficient to provide that data.

Unless a reliable set of individual yield histories were available, stabilization payments might then have to be based on regional yield averages. One of the problems with those averages is that there are differences. There are inequities. Producers with yields below the regional average would be overcompensated, while the other half of the farmers with production statistics above the average would be penalized. Also, such a program could result in payouts at a time when livestock returns are adequate or even at a peak.

Changing the WGSA into a production based program would also remove the protection that farmers now have from reduced marketings because of reduced export opportunities. Currently, if delivery opportunities are reduced, lower marketings can result and the lower net cash flow can then trigger payments under WGSA. If WGSA were to become production based it would not respond as readily to fluctuations in marketings.

Aside from these considerations it must also be understood that including farm-fed grain in WGSA would add to the cost of the program, This is a program to which the farmer contributes as well as the federal government. That would add to the farmer's cost at a time when, as we all know too well, cash flow is far less than adequate particularly in western Canada.

Unfortunately crops in my own constituency of Brandon—Souris are worse even in 1989 than they were in 1988. Consequently we are not in a position to be able to afford additional payments at this time.

Other options have been discussed from time to time that I think are important and should be noted. Some have suggested including the cost of grain production in livestock stabilization programs. At the present time livestock price support typically includes the market price of grain and calculations to determine support but not the cost of producing the grain.

Dairy support programs include grain production costs to a degree. Support calculations which include the cost of grain production would result in higher livestock support prices when costs of producing grain increase. This could provide an incentive to farmers to produce both grain and livestock to be eligible for grain stabilization programs. However, it would work against producers who buy feed for their livestock.

Another option which has been considered is jointly stabilizing grain and livestock revenues by stabilizing combined net revenue from the two enterprises. This type of program would have to be operated at the farm level in order to take into account differences in the importance of each enterprise. In the case of a mixed farm operation where the returns are more stable, lower levy rates could be applied.

The government is currently examining options for grain safety net programs and I look forward to that. Farmers involved in the review process agree that this issue must be dealt with on a national scale. Inclusion of farm-fed grain in stabilization programs was, in fact, one of the issues reviewed by the Standing Committee on Agriculture, as we have already noted. This was also raised in meetings with farm leaders last year and again during the course of the last few months.

This review, which is currently under way, will be looking at many issues other than just farm-fed grain. I do hope that one of the results of the review will be the creation of a comprehensive safety net program of which, I would assume, the Western Grain Stabilization Act may be a part. I would assume that crop insurance and the red meat stabilization programs, of which I think we are appropriately proud, would be a part as well.

In reviewing all of these programs, I hope that the House would agree that it is important in the end to try to include each of the areas of deficiency that we have identified—and farm-fed grain is only one of many—so that the final result of these meetings with the farm leaders and with the provinces will be a type of comprehensive farm insurance program in which farmers can ensure from year to year that they have a relatively stable income and that their incomes will not be subject

to the fluctuations in marketing and prices as it has been in the past. And, if it is possible to include farm-fed grain as part of that package, then certainly I think all members of the House would agree that that would be a worthy objective as well.

SPEAKER'S RULING

The Acting Speaker (Mr. Paproski): Before I call upon the hon. member for Red Deer, I have examined the amendment and, although I have some reservation, I will give the hon. member the benefit of the doubt and we will accept the motion.

WESTERN GRAIN STABILIZATION ACT

Mr. Doug Fee (Red Deer): Mr. Speaker, I am pleased to have this opportunity this evening to respond to the private member's motion on inclusion of farm-fed grain in the western grain stabilization program. Before I begin my speech, Mr. Speaker, may I ask you a question? In light of the hour on the clock, will I have an opportunity to continue my remarks later, or should I talk very rapidly at this point?

The Acting Speaker (Mr. Paproski): The hon. member will have nine minutes remaining in his speech when we finish at six o'clock. If he does not hurry, he will lose that.

Mr. Fee: Thank you, Mr. Speaker. In my opinion, there are a number of reasons why including farm-fed grain in the western grain stabilization program is not practical. I would like to outline some of those reasons for you.

First of all, the amendment you have just accepted is an improvement over the original motion. The Western Grain Stabilization Act is a program which applies only to farmers in the Canadian Wheat Board designated areas of western Canada. Grain stabilization concerns farmers in all regions of Canada and if we look, as the original motion did, at one region only, it would not be in the best interests of producers because it would address the issue in too narrow a context.

I still have a very real concern that by adding farm-fed grain to the Western Grain Stabilization Act, we would perhaps be creating more inequities than those that already exist. This proposed change to the Western Grain Stabilization Act would involve a major, fundamental change to the program. Including farm-fed grain in the western grain stabilization program would mean changing the basic structure of the program.

The Acting Speaker (Mr. Paproski): The hon. member will have nine minutes remaining the next time the bill appears in the House.

The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the Order is dropped to the bottom of the list of the order of precedence on the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

• (1800)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

VIA RAIL

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in the House of Commons some time ago, I raised the issue with the government about VIA Rail and the cut-backs that were forced upon the constituency that I have the honour and privilege to represent.

The government has shut down 40 per cent of the rail lines between Ottawa and Montreal. It has also shut down 25 per cent of the lines between Ottawa and Toronto. Many people in the constituency that I represent use VIA Rail to go to work. They use it to commute between Alexandria and Montreal, and elsewhere. I feel that it is unfair that these people are now being deprived of this essential service.

The government says that it cannot afford VIA Rail any more. Why could it so much afford it during the election campaign? Why was the Prime Minister, during the election campaign, standing on a train platform in Actonvale, Quebec, saying to the people of that part of the country that VIA Rail was there to stay and that the Prime Minister had seen to it that train service was restored?

The Financial Post of September 14, 1989 identified one of the reasons why VIA Rail is in the present deficit situation. It talks about the fact that CN Rail is recording a profit and VIA Rail is recording a loss. Both are Crown corporations and one corporation is dependent on the other for the use of its track. It says:

> In CN's case this is particularly galling, since the railway claims to be operating at a profit—"a business as well as a responsibility" is one of its slogans. Yet on closer examination it will be seen that for most of its life span VIA, has been one of CN's top two customers, the other being grain transport which is also heavily subsidized.
>
> What we have, then, is a hat-and-shell game in which one public corporation, claiming a profit, is dependent on another which runs at a loss.

The problem now appears to be that my constituents are losing a service because CN Rail and CP Rail in some measure charge much too much for that track fee.

I had another problem in the constituency that I represent in regard to rail transport. It is the fact that the residents of my province commute to Montreal using passenger train. The government member who will be charged with responding to this will say, "Yes, but commuter rail is the responsibility of the province." I disagree.

Which province is going to be responsible for taking commuters from Alexandria, Ontario, to Montreal, Quebec, the Government of Ontario, when 90 per cent of the track is located in Quebec, or the Government of Quebec taking Ontarians to work in another province? Both, of course, are going to claim that it is not their responsibility and that the responsibility belongs elsewhere.

[*Translation*]

Mr. Speaker, it is clear the Government must help provide transportation for passengers who travel from one province to another to go to work. In fact, a precedent has already been set by the fact that the National Capital Commission annually pays $974,000 to the Outaouais Regional Community Transit Commission and $608,000 to the Ottawa-Carleton Regional Transit Commission.

These subsidies by the NCC, a federal government agency, acknowledge the need for passengers to commute from one province to another to get to work.

Mr. Speaker, I say to the Conservative Government that the Minister is not on track on this issue. It is high time the Government remembered that Canadians want to keep their railways and want to keep VIA Rail.

[*English*]

I say to the government that this plan should be derailed and should be derailed immediately. The minister has told us that we are going to have a royal commission of inquiry to study whether or not we should have shut down VIA Rail when we already did. I say that that is putting the caboose before the engine.

• (1805)

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, my hon. friend has made mention of what we campaigned on last year during the election campaign. I would like to tell him that we did promise Canadians during the election campaign that we would take responsibility for fiscal management of the affairs of Canada. I feel that the action we have taken in this last couple of weeks is a very position step in that direction.

I would like to offer to the hon. member some views on the government's decision on VIA's five-year corporate plan. The government's decision maintains a national, affordable, sustainable network of all rail passenger services, while at the same time being financially responsible. We do not have unlimited resources from the general treasury to pour into rail passenger service.

The government determined that Canadian taxpayers can simply no longer afford to spend so much on VIA when it offers such a low return on the ridership and revenues. VIA's ridership has dropped by 20 per cent since 1981. Its cost recovery continues to hover around 30 per cent. The corporation required an unprecedented $641 million in subsidies in 1988 alone, or an average of $100 for every person who boarded the train.

The government had to act, and having decided on VIA's corporate plan, chose to use the powers of the Governor in Council to act quickly. Delay would have cost the Canadian taxpayers further millions of dollars which, quite frankly, we cannot afford. The decision was not taken lightly and was taken only after careful deliberation and consideration of the representations received from individual Canadians, provincial ministers, mayors and other representatives of municipalities and

numerous other groups. Close attention was paid to all other concerns and suggestions.

The national network that we envisage strikes the best balance between the real transportation needs of Canada and its fiscal realities.

VIA RAIL

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I asked the Minister of Transport what I feel is a very important question and that is, following the cancellation of VIA service in eastern Nova Scotia between Truro and Sydney, was it not natural to assume that freight service would follow, and that the rail would be abandoned. The minister stated that this was not so much a question for him or for the government but for the NTA, that the NTA, under the National Transportation Act, had jurisdiction in deciding what rail lines were to be abandoned. He completely neglected to give me an unequivocal promise that that rail line would not be abandoned.

The minister, by not giving an unequivocal answer, has abandoned his responsibility as Minister of Transport to maintain a comprehensive transportation policy in this country. It is very important that areas such as mine know what the government is going to do, regardless of whether it is the responsibility of the National Transportation Act or not. It is the government's responsibility to maintain the services.

It is vital because many people in this country presume that because rail passenger service has been cancelled, rail freight service is to follow and those that lost passenger service will lose rail service completely and those rail lines will be abandoned. In Cape Breton, which needs industry badly, we are now facing the prospect of prospective investors saying there is not going to be a railroad that because there is no passenger service, ultimately it is only a matter of time before there is not going to be freight service. The minister would not state to the contrary.

It is made additionally difficult because the government appointed the president of CN to be president of VIA and asked that president of VIA, who was also president of CN, to do a study as to the rail feasibility for passenger lines in Canada. He decided which lines were to be closed and that recommendation was then given to the government. The president of VIA, by closing the VIA service in many parts of Canada, helped to make his case as president of CN for the abandonment of those particular lines. It is just not acceptable.

• (1810)

Also, unless we get an unequivocal statement from the government that rail lines in this country are going to be kept open, then we are inviting CN to downgrade the service to help them make its case for that particular rail abandonment. It has been done in other areas. It has been brought up at hearings that CN will intentionally reduce the service to make that service look as bad as possible to make its case for rail abandonment. It does not want many rail lines in Atlantic Canada, if it wants any rail lines at all. We cannot give it that opportunity. It is important that the government says that rail lines in eastern Nova Scotia will not be abandoned, that the service from Halifax to Sydney will continue. Then we will have CN making the best of that line, making as economic use as possible of that line, and maintaining that line.

CN has already entered into an arrangement to ship containers from Halifax to St. John's directly, thereby cutting down the container traffic from North Sydney to Newfoundland by 75 per cent, thereby starting to make its case. It buys rails from Sydney Steel Corporation. Imagine buying rails from a steel plant that may not have a railroad to ship those rails out on. Some people say, well, you can ship them by water. If you could ship them by water as cheaply as CN can on its track, then of course we would have done it before. But, of course, it uses those rails at intermittent spots across the country. Shipping to one particular location means extra handling and extra costs for it.

We have coal shipments in Cape Breton to clients whom we badly need to maintain a very struggling economy. Each coal car contains 100 tonnes. For each coal car, we would need four eighteen-wheel trucks to carry that same amount of coal. One of my constituents counted at a crossing 54 coal cars. That would mean 216 18-wheel trucks on the highways. Imagine what that would do to the tourist industry when the train goes through the centre of the island without much recognition whatsoever?

It is important that that rail line be maintained in Cape Breton and eastern Nova Scotia. It is vital that the government make a commitment and recognize the importance of maintaining that rail line. There should be no more backsliding. There cannot be any more dilly-dallying on the part of the government. We must draw the line for Canada and say to the people of Cape Breton and eastern Nova Scotia that the government is the

government of all of Canada and not just of the areas that are numerous in population. There is a Canada outside the main metropolitan areas. It is important that this government recognize that.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member for Cape Breton—The Sydneys has raised concerns regarding the possible branch line abandonment that the government has announced in its plan for the restructured rail passenger network. I can appreciate the concerns that he has raised here today and on other occasions. I also want to assure him that the government appreciates the concerns because we have to represent all areas of the country.

As the House knows, it is for the National Transportation Agency to rule on the requests for branch line abandonment for CN and CP which are currently before the agency. They have to give due notice of their intentions.

The National Transportation Act of 1987 lays out the matters at which the agency must look in making its decision. The act does not call in any way for a line to be abandoned just because VIA Rail is no longer using the line.

I would remind members that in the fall of last year, the Minister of Transport asked the National Transportation Agency to seek the views of the provinces with regard to the criteria that it should be using for branch line abandonment and its concept of a basic rail network. I can assure the House that all proposals for branch line abandonment will be considered very carefully as the law requires.

• (1815)

The hon. member has also made the implication in his remarks that the president of CN, in functioning as VIA's chief executive officer, might have conflicting objectives in respect to branch line abandonment. I can assure him that this is not the case. In hearings today before the transport committee, we heard that it is a very small portion of CN's revenue that comes by way of VIA Rail. There is that myth that a large portion of its revenue is from VIA. That is not the case. He gave the figures before the committee today.

In either his capacity as President of CN or as the chief executive officer of VIA or CN, the ownership of the rail line is not an issue in the government's decision to maintain a sustainable and an affordable national rail transportation network.

ALBERTA BUSINESS LOANS PORTFOLIO/REVERSAL OF POLICY—POSITION OF THE MINISTER

Mr. Ross Harvey (Edmonton East): Mr. Speaker, on June 16 of this year, I put a question to the hon. Minister of Finance, concerning business loans by the chartered banks in Alberta. At that time, I noted that business loans by Canada's chartered banks had declined by 50 per cent in Alberta from 1982 to 1988. They dropped from an annual average of $18.1 billion in 1982 to $9.1 billion in 1988. I noted as well that given average dollars invested per new job created figures for Alberta, that collapse of bank business financing in Alberta cost the people of that province somewhere between 100,000 and 140,000 jobs.

Two related elements make this abandoning of Alberta businesses by Canada's chartered banks all the more strange. First, indigenous financial institutions in Alberta actually increased their assets base in the province during the same period, again 1982 to 1988, in which the bank's assets were dropping like crab apples in the fall. Local credit unions saw their assets rise by 22 per cent. Trust companies' assets went up by 30 percent. Incredibly, mortgage companies' assets shot up by 147 per cent, and Alberta Treasury Branches', the Alberta peoples' nationalized bank, its assets skyrocketed by a whopping 167 per cent.

Second, at the same time as the chartered banks business loans in Alberta declined by 50 per cent and their total assets declined by 13 per cent, their total liabilities actually went up by 27 per cent and the value of personal savings held by those banks in Alberta went up by a very healthy 41 per cent. So at precisely the same time that business loans had been declining absolutely and as a percentage of total assets, personal savings have been rising absolutely and as a percentage of total liabilities.

To those familiar with classic capitalist economic theory which holds that banks and such similar financial institutions exist primarily to marshall the savings of

individuals in a community and then put those savings to productive use in wealth-creating investment, these diametrically opposite trends must be deeply puzzling, especially during a period in which other locally-based financial institutions, including again, the province's very own nationalized bank, experienced healthy and in some instances, very healthy increases in their assets.

The Minister of Finance, in responding to these facts last June, offered two related explanations. First, he said that it was just a matter of bank business loans reflecting the adjustment in Alberta's economy as it tumbled from the boom-time highs of 1982 to the more sober and appropriate levels of 1988 and second, that it was the fault of the NEP. I will deal with each argument.

To take the second point first, the facts are that the banks, abandonment of their Alberta business assets accelerated after the revoking of the NEP in 1985. Bank business loans in Alberta dropped by 6.2 per cent from 1982 to 1983; by 7.2 per cent from 1983 to 1984; and by 5.4 per cent from 1984 to 1985. Then the NEP was removed. Immediately the banks responded. Business loans dropped like a rock from 1985 to 1986, a plunge of 13 per cent, more than double the previous year's rate of decline. Then from 1986 to 1987, the crash accelerated further, reaching a dizzying 18 per cent drop. Things moderated only slightly from 1987 to 1988 when bank business loans dropped only another 14.4 per cent.

If one wishes to involve the NEP at all, the only reasonable conclusion one can draw from the data is that the NEP, while it was in place, served to moderate the chartered banks' abandonment of Alberta businesses.

• (1820)

The other argument which can be stated, that Alberta has simply been put back in its proper place is, on the face of it, a more reasonable argument. Again, it requires ignoring the record of other locally based financially institutions in the province, but let us for the moment adopt that indulgent ignorance and examine the thesis.

In 1982, the chartered banks had $18.1 billion tied up in business loans in Alberta. That same year, Alberta's GDP at market price was $59.9 billion. By 1988, bank business loans had plummeted to $9.1 billion, for a 50 per cent drop. But Alberta's GDP had risen by almost 20 per cent over the same period up to $63.3 billion. Again, those who advance the thesis that the banks' business loans in Alberta are simply a lock-step puppet of the province's GDP will have to seek support for their thesis from sources other than the available data.

Wait, I hear the cry coming from across the floor. That is not what we said. We said you have to look at Alberta's business loans in light of Alberta's GDP, in light of the national GDP. Got that? Right, Mr. Speaker. Ignore the province's growing savings. Ignore the province's growing GDP. Look instead at what happened to Alberta's GDP as a percentage of the national GDP. Okay, fine. Let us look at what happened.

In 1982, at the same time as Alberta accounted for 14.1 per cent of Canada's GDP, it received 25.3 per cent of the chartered banks' business loans. By 1988, Alberta accounted for only 10.5 per cent of Canada's GDP, a drop of 3.6 per cent. But over the same period, Alberta's share of the banks' business loans dropped to 11.2 per cent, a plunge of 14.1 per cent. Alberta's GDP share drops 3.6 points so its business loans share drops 14.1 points.

Look at it in this way. Express bank business loans as a ratio of GDP. In 1982, that ratio stood at 1 to 2.91; that is, $1 of bank business loans for every $2.91 of GDP. By 1988, that ratio had widened to 1 to 6.93; $1 of bank business loans for every $6.93 of GDP. That is some adjustment over six year.

Again, I would simply ask the government, why did you let it happen? Why did you not do something to staunch this appalling haemorrhage of bank finance capital out of Alberta businesses? While we are at it let me pose as well the following question: Canadians' total personal savings on deposit with Canadian chartered banks rose from $98.9 billion in 1982 to $150.3 billion in 1988, a rise of a little more than 50 per cent. Even expressed in constant 1981 dollars, that is still a rise of 17 per cent, a very healthy trend. Over the same period the total of Canadian chartered banks business loans outstanding in Canada rose all but imperceptibly from $71.6 billion in 1982 to $72.8 billion in 1988. In constant 1981 dollars, that is actually a decline of more than 20 per cent in bank business loans. Again, that is savings up, business loans down.

I would therefore ask the government, is it at all alarmed at this trend which, once again, flies in the face of classic caplitalist economics? Having abandoned Alberta businesses to their fate, will the government nonetheless see what it can do to encourage a somewhat less tight-fisted attitude on the part of the banks toward Canadian business in general?

And what the heck, Mr. Speaker, maybe just one more time, the government could explain why it is necessary to exempt Canada's chartered banks from the GST.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it always makes me smile when I see a Member of the New Democratic Party speaking for the corporate sector, when he criticizes them for the rest of the day and in fact the rest of the year. The Hon. Member for Edmonton East (Mr. Harvey) pointed out that the bank business loans portfolio in Alberta declined 50 per cent between 1982 and 1988, and his conclusion was that the banks are depriving Albertan businesses of the credit they need to expand.

Mr. Speaker, it is true that the bank business loans portfolio in Alberta declined between 1982 and 1988.

What we must understand is that this decline was not caused by the banks, as the Hon. Member said, "throwing half of their business loans overboard". There were several financial factors that influenced the banks.

I believe the most important factor was that 1982, the first year of the period we are considering, in addition to being a year of transition—the previous years had been years of growth while those that followed immediately afterwards showed a drop in activity—was practically a record year for the resource sector in Canada and especially in Alberta. There are two reasons for this. First, thanks to very high prices in the industry, the resource sector was growing at an unprecedented rate. Second, 1982 was the year when Canadianization of the resource industry was made a priority. As a result of these two factors, funds borrowed from banks by the resource sector across Canada in 1982 totalled $10.8 billion, which was 14 per cent of total business loans. In 1988, the corresponding figures were, respectively, $5.6 billion and 7 per cent.

Because of the important role played by the resource sector in Alberta's economy, the province's share of total business loans in 1982 rose to 25 per cent, twice the province's share of the GDP. Alberta's share of total business loans in 1988 was 11 per cent, which is closer to its present share of 12 per cent.

The second factor to be considered when we look at bank loans to businesses in Alberta is that the 1980s were a difficult period for the resource sector in Canada, and that understandably, the impact of these problems was particularly severe in Alberta. Because of large loans contracted during the years of rapid growth immediately preceding 1982, many businesses were reorganized, downsized, amalgamated or simply closed down. From 1982 to 1988, non-recovered bank loans in the resource sector, and especially in Alberta, totalled several billion dollars. Following a period of restructuring, the sector has now gained strength.

Another factor we cannot overlook is that many businesses are now resorting to other types of financing. Since 1982, for instance, the use of bank acceptances and securities issues has increased.

In concluding, Mr. Speaker, I think we can say that the figures submitted by the Hon. Member for Edmonton East are not a reflection of cynical or discriminatory practices. Furthermore, we have every reason to believe that the banks, like other financial institutions, are developing opportunities for business loans as vigorously in Alberta as they are in the rest of the country.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Wednesday, October 18, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CALIFORNIA EARTHQUAKE

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, millions of Canadians over the last few hours have been watching with horror the results of yesterday's disastrous earthquake in California.

We realize that in the days and months that lie ahead Californians will be faced with a monumental clean up effort. We want those involved to know that they have the encouragement and support of all Canadians. Our sympathies lie with all Americans suffering as a result of this tragedy.

Through the Federal Emergency Management Agency, the President and the American Government were able to respond to this tragedy within a few minutes. This tragedy would have been even more devastating had it had not been for the established support systems and the thousands of ordinary and trained civilians prepared to respond quickly.

Mr. Speaker, today Canadians need some answers. What kind of emergency measures organization do we have? Do we have trained emergency personnel? Do we have strong municipal infrastructures?

Specifically, would we be able to respond to a disaster in any region of Canada with the same speed and expertise as the Americans have shown in the past few hours?

PERSON'S CASE

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, 60 years ago today, on October 18, 1929, the women of Canada were formally recognized as persons by the British Privy Council. The Person's Case, as it has become to be known, is the chronicle of the efforts of five courageous Alberta women who persevered against a host of legal and social obstacles to win acknowledgement that Canadian women are indeed persons and are therefore eligible to be summoned to the Senate.

Last week six Canadians were honoured by our government for their dedication to the principles of equality and the individual's right to self-determination.

I congratulate this year's recipients: Kay Armstrong of Saanichton, British Columbia; the Honourable Ellen Fairclough of Hamilton; Dorothy Inglis of St. John's; Helen Levine of Ottawa; Alphonsine Par-Howlett of Westmount, Quebec; and Caroline Robins of Saskatoon.

Their efforts reinforce the significance and the relevance of the Person's Case as an important episode in Canadian history.

* * *

VIA RAIL

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I would like to call the attention of the House and the government to an effect that the VIA Rail cuts are having on a particular group of people, a group whose needs have not received that much attention in the entire debate about the VIA Rail cuts.

I am talking about people who have cottages on the CN main line from Winnipeg to Farlane. These are people who used to be served by a special train on the weekends through the summer and who some years ago had that service incorporated into the Winnipeg—Capreol line.

The service of the Winnipeg—Capreol line as a result of the government's proposals is now to be incorporated into the transcontinental service. Some remote communities like Rice Lake and Winnitoba have absolutely no road service whatsoever. The needs of these communities cannot be met in any other way except by a train that

stops at all those places and goes down at times when people normally want to go to their cottages.

The transcontinental train will not do that. It will leave on a Saturday night and come back on a Monday morning, which is totally useless.

Mr. Speaker, the forest fire that swept through that country a year ago was less of a threat to those peoples' investments than this government is proving to be.

* * *

[*Translation*]

WOMEN

Mr. Louis Plamondon (Richelieu): Mr. Speaker, on October 18, 1929, the women of Canada obtained legal status as persons. Their long legal and political struggle opened the way for a host of initiatives to promote the status of women in Canada. One of these and perhaps the most important one was the appointment in 1970 of the Royal Commission of Inquiry on the Status of Women, which contributed toward achieving full equality of men and women in this country.

The federal Government's commitment at the time, which was to enable Canadian women to realize their ambitions and their full potential, is still appropriate today, and the Government fully subscribes to that commitment. It was in this perspective that the Government published a document entitled *Dimensions of Equality*, which appeared in 1986 and was subsequently reprinted. The document contains a federal work plan for women's equality. Mr. Speaker, the anniversary we are commemorating today must remain forever inscribed in the memory of all Canadians, as a tribute not only to our pioneers but also to all those women who proudly followed in their footsteps.

* * *

[*English*]

SENATE REFORM

Miss Deborah Grey (Beaver River): Mr. Speaker, democracy is not about singulars or plurals or contrived technicalities. It is about a principle and a belief in a spirit that goes beyond partisan politics and personal agendas.

On Monday night 600,000 Albertans marched to the polls in the belief that Parliament must be fully democratic, not half democratic. It is no longer a matter of claiming to support democracy or claiming to support Senate reform. Senate reform has already begun. Either we in this House are fighting for it or we are fighting against it.

I urge the Prime Minister to join in this movement by confirming without delay Stan Waters' election to the Senate of Canada. This is a minimum test of his willingness to listen to Alberta. Other tests will come later as Albertans wait for action on the constitutional and fiscal policies on which they have sent a clear message.

Mr. Speaker, make no mistake. If the Prime Minister and his party ignore this election, they will make Mr. Waters a symbol and it will be my party that benefits. If they accept this election and act, Mr. Waters will be a senator and we all will gain.

* * *

SENATE REFORM

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, once again an idea that will revolutionize Confederation has come from the west. After decades of academic discussions and government reports, Senate reform is becoming a reality.

Whether this government will take heed of this fact or not is the only question left. Yesterday we saw in this House a government led by the famous Deputy Prime Minister from Alberta, in complete disarray. It is obvious it does not know what to do. While that is not a surprise it brings the issue of Senate reform into urgent focus.

The west has constitutional needs that must be addressed. We have been patient, but patience has not advanced the cause of Senate reform one bit.

Because of the success of the Alberta Senate election Manitoba is now considering using the election process to nominate senators. I am proud to say that the Liberal party in Manitoba has been on record for many years endorsing the Triple E Senate proposal. This govern-

ment should stop wondering what to do and accept the will of the Alberta electorate.

• (1410)

There is nothing more powerful than an idea whose time has come. Senate reform is here. It is happening whether the Conservative party wants it or not.

* * *

AUTOMOBILE LEASING INDUSTRY

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, independent car dealers from across Canada have established an excellent record of service to Canadian customers. In a business in which there is real competition, automobile dealers have served Canadian transportation needs by both selling and leasing cars to the satisfaction of their customers.

Over the past few years we have seen a quiet but persistent pressure from chartered banks in this country to allow them to enter the automobile leasing field. These banks wish to deal directly with customers for lease requirements. The pressures a large financial institution would place into the automobile leasing industry would have a negative effect and be totally unfair to the large investments dealers have made.

Banks must not be allowed to enter the automobile leasing business. I will continue to stand up for the car dealers across Canada and urge this House to oppose the intrusion into the car business by the banks of Canada.

* * *

PERSON'S CASE

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I rise today to commemorate the sixtieth anniversary of the Person's Case; 60 years ago today women became persons under Canadian law. It is ironic that today the Conservative government is threatening to take away women's legal rights. A new law on abortion will open the floodgates to invasive legal cases such as the Daigle case. A new law will provide a basis for a series of court challenges just at the time when the Supreme Court is shutting down current legal avenues available.

We will once again see women dragged before the courts and publicly humiliated. In 1989 we are facing another legal equality crisis. Raising the legal status of the foetus over the legal rights of women to make decisions about our own bodies would be a giant step backward for women's legal equality. Women will not be persons unless we have legal control over our own bodies and our own lives.

* * *

DENE THA' BAND

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, today is a very special day for Chief Harry Chonkolay of the Dene Tha' Band in northwestern Alberta. Today Chief Chonkolay will be appointed to the Order of Canada to commemorate 50 years as chief of that band.

Harry Chonkolay was elected chief of the band on June 17, 1938. During the 51 years he has served as chief, the band has seen many changes from its traditional way of life. He has given valuable and inspirational leadership to his people in their transition from a hunting and trapping society to one in step with modern times.

Chief Chonkolay has always stressed the importance of education and at the same time promoted the traditional values of his people, their language and their culture. He has served his people with integrity, dignity and dedication.

All one has to do is spend a few minutes with this man to recognize the wisdom and knowledge that he has obtained during his years as chief of the Dene Tha' Band.

This remarkable man is visiting us here today in the House of Commons.

Some Hon. Members: Hear, hear!

* * *

THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in 1986 the Department of the Environment wrote a pamphlet for public information entitled *Storm Warning*. It was suppressed by the then Minister of the Environment, Mr. McMillan, and the Minister of National Health and Welfare. When *Storm Warning* was finally released, its message was ignored.

Here is a sample of the message in *Storm Warning*:

> Even the most careful person can be exposed to toxic substances through the food chain.

In *Storm Warning* the various threats to health posed by toxic chemicals in the Great Lakes region are set out. Last week, three years later, the present minister of

health announced that he wants a health study into toxic contamination in the Great Lakes region.

Instead of proceeding in 1986 to take preventive measures, three years later the government proceeds with a study which could delay action until its completion in 1994. When the health of Canadians is in danger, and despite earlier warnings, this government wasted three years before acting. What a sham.

* * *

[*Translation*]

WOMEN

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, 60 years ago today, Canadian women won a major battle in their struggle to augment their political rights.

Today marks the anniversary of what is referred to as the person's case. Because of this historic ruling, Canadian women were legally recognized as persons. They also obtained the right to be appointed to the Senate.

Full political rights for women did not become a reality without a hard struggle by groups of Canadian women, and especially one particular group, later referred to as the Famous Five. They were: Emily Murphy, Nellie McClung, Louise McKinney, Irene Parlby and Henrietta Muir Edwards.

Thanks to their courage and determination, the lives of all Canadian women have been enriched.

As was the case with much of the history of Canadian women, the person's case was forgotten for 50 years. In honor of the Famous Five, the Persons Award was established in 1979 to acknowledge exceptional contributions toward improving the status of Canadian women.

Last week, the Governor General gave the Persons Award to six women whose commitment to defending the rights of women and improving the status of women has been a source of inspiration for us all.

On this anniversary, I ask you to join me—

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member but her time has expired.

[*English*]

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I hope you will allow me a certain latitude in the rules to express our deep concern and sympathy to the people of San Francisco and the Bay area as a result of the severe earthquake that struck last night.

We would encourage our government to give whatever help we can practically render to our good neighbours.

ORAL QUESTION PERIOD

[*Translation*]

FINANCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance.

The provincial Finance Ministers have declared that a new federal sales tax on top of their provincial taxes would be terribly complex and impossible to administer. The federal Minister of Finance has accused the provincial Ministers of indulging in petty politics. He said, and I quote: "I know better than they do what the effects of this tax will be". That was a very modest statement by our Finance Minister.

Mr. Speaker, in this connection, I would like to quote from a document entitled *Sales Tax Reform*, published under the authority of the Hon. Michael H. Wilson, Minister of Finance.

I quote at page 48: "Without a common base, little tax simplification would be possible—the system could become more complex—this layer of complexity would be compounded and spread across the country—if all governments were to have different tax bases, the system would be a national tax in name only. Effectively, it would be unworkable."

I mention this because it is exactly what the provincial Finance Ministers said yesterday.

How can the federal Minister accuse the provinces of petty politics when they are only repeating what he himself said in a document he tabled in the House of Commons?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, while I do not have that page 54 in front of me here—

Mr. Gauthier: You wrote it.

Mr. Wilson (Etobicoke Centre): —I think the quote the hon. member is referring to is that if you are going to have a national sales tax you have to have a common tax base, but the point of the matter is that my first choice had been a national sales tax. We have been working on that since early 1987 to try to achieve a national sales tax. Unfortunately that was not achievable.

Mr. Gauthier: Because you failed.

Mr. Wilson (Etobicoke Centre): We have decided that we must go ahead. Because the existing federal sales tax on manufactured products is not working, as my friend I am sure would agree, we must change to a goods and services type of tax.

• (1420)

The point that I am making—and I have done this on many occasions—is that if the provinces want to come together and put forward a proposal that they can agree on, that the premiers agree on, we will talk with them.

Until they are off the wicket of simply opposing, simply saying that this tax is not good enough, this proposal is not good enough, without taking the responsibility of putting forward an alternative that we can talk about, there is nothing for us to meet and to talk about.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the provincial ministers of finance were saying yesterday only what the minister in his document to Parliament had said quite categorically on June 19, 1987.

We have in this House, of course, a trade minister who has not read the trade deal. We have a fisheries minister who has not read the decision on salmon and herring. We now have the Minister of Finance who does not remember what he put in his document. I would be glad to let him have a copy so he can remember exactly what he said.

Mr. Wilson (Etobicoke Centre): Pass the document over, John.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I can say parenthetically that no wonder we have a government that does not really worry about putting a 9 per cent tax on reading. None of them read.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, I want to again quote the Minister of Finance from last night. He said that his counterparts, the provincial finance ministers, are "trying to cloud the issue so they could increase their own taxes". Those were his words.

Where does the man who has increased taxes in this country 31 times since he became minister, who is now trying to impose a 9 per cent tax on everything that moves, get off by telling the provincial ministers of finance that they are now trying to increase taxes?

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Mr. Speaker, just in response to the cheap shot that the hon. member took—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): —I have read that document precisely as I have read every other document that has been put out under my signature. When the hon. member reminds me of something that was put out two and one-half years ago, no, I do not remember every word of that.

The hon. member has raised a specific question about the provinces wanting to use this as a way of hiding their own intentions of raising taxes. That is very clear. They are making it quite clear that they want to raise taxes and they are going to use, they say, the GST as a reason for doing it. Mr. Speaker, I can be quite categoric. There will not be a reason for the provinces to raise their taxes based on the goods and services tax, based on the way they are raising taxes today.

We have been quite up front about raising taxes, but we have also been very up front about controlling government spending. We have a government spending record where we have increased government program spending by 3.6 per cent. No other province over the same five-year period has a spending record as good as that. The average of the provinces is a 6.4 per cent increase compared with our 3.6 per cent increase. The province of Ontario had a 9.5 per cent increase. This is

an example of how well we are controlling spending on this side of the House.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, it is a flagrant example of the pot calling the kettle black. Tax up front? An invisible tax, secret from the consumers of Canada.

The Minister of Finance said last night, and I want to quote him again: "Provincial ministers of finance are trying to set themselves up to raise taxes, and they shouldn't do it". "They shouldn't do it", he says. Then in a pious way he said: "We all serve one taxpayer and they are trying to set up that one taxpayer so that they can increase taxes". Those were his words.

This man who is trying to make a tax grab in the amount of $29 billion, a larger tax grab than all the provincial income taxes put together, all the territorial taxes together, is accusing his provincial counterparts of a tax grab. This man who is going to force on the people of Newfoundland a total over-all sales tax rate of up to 26 per cent is saying that other people are trying to raise taxes.

If this Minister of Finance really believes that it is wrong for his provincial counterparts to raise taxes as he said last night, why is it not wrong for him to impose the largest tax grab in Canadian history? If they shouldn't do it, why should he do it?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me be quite categoric. This goods and services tax is replacing an existing tax.

Mr. Gauthier: Nonsense.

Mr. Wilson (Etobicoke Centre): He says "nonsense", and he is saying that I have not read the document. Maybe he should read the document once or twice.

Mr. Turner (Vancouver Quadra): How about revenue neutral?

Mr. Wilson (Etobicoke Centre): Would you like to just listen to the answer?

Some $24 billion dollars will be raised from this tax; $18.5 billion will be used to replace the revenues from the existing tax; $5.5 billion will be put back into the tax system through a goods and services tax credit, through the reduction in the middle income tax rate, and through the automatic indexing that is required under the terms of existing Canadian law, so it is not the tax grab that the hon. member refers to.

The point that I was making is that for the provinces to use the goods and services tax as an excuse for raising their taxes is unwarranted, because there will not be a reason based on the goods and services tax for them to increase their taxes. They should not use that as a basis for them to raise their own taxes.

The other misinformation the right hon. leader of the opposition is using is to say that Newfoundland will have to go to a 26 per cent sales tax. That is nonsense. There is categorically no reason absolutely whatsoever. If Mr. Kitchen wants to discuss that with me, I would suggest he give me a phone call and find out the true facts as to what the impact of the sales tax will be before he makes those unwarranted statements.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, today the situation is as honeless as ever. The Minister of Finance is trying to tell us that he is right and everybody else is wrong. Yesterday, the provinces said: "Unacceptable". They will have no part of it. I want to ask the Minister of Finance, who supposedly is part of a government of national reconciliation and is now about to carry off a unilateral coup unique in Canada's history and in our tax system, what justification he has for introducing this tax, when all provincial ministers are telling him they want no part of it and when the Canadian public says he is wrong? Who supports the Ministerof Finance, aside from a few backbenchers who won't listen to their constituents?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to make it absolutely clear that there is no basis for the provinces to raise their taxes. That is quite clear, if they use the GST as an excuse to raise their own taxes.

Now the hon. member is saying: "Are we doing something unilateral"? We spent two years of consultations with officials, with the ministers, talking about a proposed national sales tax. The provinces do not want that national sales tax. It is quite clear from the display of comments that we heard at the premiers' meeting in

August and at the finance ministers' meeting yesterday that the provinces do not want to participate.

• (1430)

The federal government must move ahead, because all sides of this House agree, and if hon. members opposite have forgotten, Liberals and New Democrats signed the finance committee report twice in the last Parliament saying that we have to move to a new sales tax. I will remind the member from Ottawa—Vanier of his comments. We must move to this tax. The provinces do not have to move to the tax. That is why we have to move ahead, and the provinces know that.

[*Translation*]

Mr. Lapierre: Mr. Speaker, there is a consensus at least on one thing among Canadians, among all provincial Ministers and all members on this side of the House, and that is that the Minister of Finance didn't do his homework. Canadians want taxes that are visible, neutral and fair. Unfortunately, the proposals presented by the Minister of Finance do not pass that test. Consequently, I would ask the Minister of Finance, considering the unanimous rejection of his proposals, whether he has the courage to withdraw them immediately.

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the answer is no. We have put forward a technical paper for further consultation. The finance committee is holding hearings right now. We are having consultations with various groups that want to meet with us to see whether there are ways of improving the document. But for him to suggest that we are going to withdraw this, I say to the leader of the Liberal party, where are you on this debate?

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Oh, yes, they say: We are against it. But ask us to put up an alternative? Oh, no, we would not sully our hands by putting up an alternative. All we are going to do is—

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I say to the Leader of the Opposition, get into the ballgame. Put some facts on the table and quit just opposing.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister of Finance has made a statement that not only would the provincial treasurers, without exception, disagree with but all Canadians who have been following this tax debate, except his own back-benchers, will disagree with it.

He has just said that provinces do not have to worry about a negative impact because of this tax. He knows that this reduction in income tax that he has just alluded to is going to cost the provinces. The impact on inflation is going to cost the provinces. Allowing for some increases in wages and salaries related to inflation is going to cost the provinces.

According to figures that have been produced, Manitoba claims it will cost it $70 million, New Brunswick $145 million, Newfoundland $85 million. We heard from the Minister of Finance for Newfoundland today, saying that the only way he could cope with it is to cut services in an already poor province, or increase taxes. He said it is going to go up to a net effect of a 25 per cent sales tax.

I want to ask the Minister of Finance why he is putting this unfair burden particularly on the poorer provinces of Canada?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, there is no unfair burden being put upon poorer provinces of this country. As I have said before and I will repeat again, they will not be negatively affected by the introduction of a goods and services tax.

Further to that, the poorer provinces of the country, because they have proportionately more low-income people, will get a greater share of the goods and services tax credit. That works out to $275 per adult, $100 per child, and it works out for residents over-all to $170 per capita in the GST credit. The province of Newfoundland will be a proportionately greater recipient of that than say the province of Ontario.

Mr. Broadbent: Mr. Speaker, I do not need to remind the Minister of Finance, but I will. This government has already, in terms of the poorer provinces, cut back on regional development programs, cut back on health transfer payments, cut back on VIA Rail, which is particularly bad for the lower income provinces, and now a GST impact that he has not denied. I challenge him to produce his own figures. Because of its impact on inflation, because of the income tax change, he is hitting the provinces again. If you consider almost every aspect of this government's policy, including the GST, it is the

poorest provinces in Canada that are getting it in the neck, and I want the Minister of Finance to justify that.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, it is hard to justify something that is not happening. I have said that the poorer provinces will be proportionately greater beneficiaries of the goods and services tax credit. Equalization payments during our term of office have increased a good deal faster than the rate of growth of normal federal-provincial transfers.

The poorer provinces of this country receive 40 per cent to 55 per cent of their revenues, depending on the province, directly from the Government of Canada. That is something that clearly demonstrates the ongoing support which this government has for the poorer provinces of this country.

[*Translation*]

Mr. Broadbent: Mr. Speaker, the Minister of Finance suggested a few minutes ago that this new sales tax would have no negative impact on the provinces, specifically the poor provinces. He said so, but everyone else says the opposite! Not only the Opposition but all the provinces and experts outside the Government!

If the finance minister does not agree, would he give the House of Commons the figures which tell a different story? That is the challenge I make to the Minister of Finance.

[*English*]

Mr. Wilson (Etobicoke Centre) Mr. Speaker, the hon. member is using figures I have not seen. I presume, from what he has said, that they have just been released. I am going to have a look at those figures and I will be in a position to comment on them after I have seen how the provinces have developed those figures.

It is clear in the economic analysis that has been done by the Government of Canada that the Atlantic provinces, the prairie provinces and British Columbia have an economic benefit. The economic impact is greater for them than for the national average, but all provinces, including the provinces of Québec and Ontario, benefit from the introduction of this tax, but it is the provinces that are farther away from central Canada that have the greatest proportion of benefit.

FISHERIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Minister of Fisheries. Yesterday the minister told the House that his government would wait 30 days before announcing whether it will accept Monday's free trade panel ruling on landing requirements for west coast salmon and herring. Yet in his press release he declared that the panel accepted the legitimacy of Canada's position on the use of these landing requirements, even though the panel obliges Canada to permit over-the-side sales of unprocessed fish, something which the landing requirements were put in place to prevent.

If the minister considers this sell-out a victory for Canada, why is he now saying he will take 30 days to review the decision? Otherwise, will he stand up now for Canadian jobs and reject this ruling?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, it happens to be the opposition members who have been using the term "victory" to describe this panel finding. In fact, if the hon. member and his leader would read the finding—because I think perhaps they could use some reading lessons—they would learn that in no less than 10 places in this document, Canada's sovereignty under Canadian fisheries legislation is fully accepted as the primary means of managing and conserving our fishery stocks, which is precisely what I said yesterday.

Mr. LeBlanc (Cape Breton Highlands—Canso): My supplementary question is for the same minister. So it is not a victory. We are clear about that.

How does the minister reconcile this answer with statements by the government leader in the Senate that, "the government accepts the finding and intends to work within the context of that finding", and by U.S. trade representative Carla Hills, who said yesterday, "We fully expect Canada will promptly comply with the panel ruling"? Who speaks for the government on this issue? Is it the minister of fisheries, is it the Senate government leader, or is it Carla Hills?

• (1440)

Mr. Siddon: Mr. Speaker, the hon. member should know that it is the Government of Canada that speaks for Canada on this issue. The government received this panel report on Monday. Under the Free Trade Agree-

ment, there is provision to review it and analyse it over a 30-day period before taking a position.

If the hon. member will check the transcripts of the government Leader in the Senate, I believe he will find that the government leader in the other place will be clarifying his statement and correcting it because the government has not yet decided what position will be taken in the disposition of this report.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, the minister of fisheries must be a slow reader if it takes 30 days.

Yesterday the minister told this House the panel finding "clearly recognizes Canada's right to management of fish stocks—. in accordance with our sovereign rights". What he does not say is that those rights extend only as far as the United States permits.

Mr. Epp: You're reading, Coline.

Mrs. Campbell (South West Nova): Yes, Mr. Speaker, one has to read because one wants to remember what is being said in this House. The Minister of Finance sometimes forgets.

On the west coast, you have the U.S. telling us that our conservation for herring and salmon is a restrictive trade. On the east coast, the U.S. is passing legislation to conserve its lobster fishery against our own lobster fishing industries.

I ask the minister, where is the victory in being accorded a sovereign right when it cannot be used to keep jobs in Canada—and they laugh over there—or to stop the U.S. from controlling our natural resources which are so important to our jobs here in Canada? This is a laughing matter to those people over there.

Mr. Siddon: Mr. Speaker, here we have another member of the opposition who does not read. If the hon. member would search her memory channels she would learn that it was the General Agreement on Tariffs and Trade talks which decided that our old processing regulations were discriminatory in that they wanted special treatment for the Canadian industry that was denied the American industry. Because we export 80 per cent of the fish, particularly that from her own constituency, to the United States, we have to play by those rules. But I must say that this panel finding, the consensus of a panel on which three Canadians sit, suggests that the sovereignty of Canada's right to manage and conserve the fishery stocks of Canada takes precedence over all other considerations.

Mrs. Campbell (South West Nova): Mr. Speaker, the minister does not understand. We have agreed, we have a sovereign right to our natural resources. Surely free trade did not take that away from us.

I am saying that that minister does not understand that there are no countermeasures for what they are telling us is a restrictive trade. In the lobster area, the impending legislation before the U.S. government is going to be a restrictive trade.

What countermeasures, aside from diplomatic talks, is the minister going to present to the U.S. to protect the many thousands of lobster fishermen who begin their season with a complicated free trade agreement which has no countermeasures for us to resolve that dispute?

Mr. Siddon: Mr. Speaker, the hon. member should know, and if she does not, perhaps she should pick up a newspaper and read, that the—

Mr. Peterson: How condescending. What a pompous approach.

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. Will the Minister proceed?

Mr. Siddon: Mr. Speaker, the hon. member for South West Nova knows full well that there is proposed legislation before the U.S. Congress and House which would extend, in an extra-territorial fashion, United States conservation considerations and make them applicable to Canadian lobsters being exported to the United States. The hon. member knows that Canada has strongly protested any such proposed legislation because it would intrude upon our sovereignty to manage our lobster fishery according to our criteria, and it would violate in fact the principle of the free trade agreement.

* * *

PRESENCE IN GALLERY

Mr. Deputy Speaker: I wish to draw to the members' attention the presence in the gallery of the Hon. David E. Wilkinson, Speaker of the House of Assembly, Legislature of Bermuda.

Some Hon. Members: Hear, hear!

* * *

FISHERIES

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I have a question for the Minister of Fisheries and Oceans. Yesterday, the minister touted Canada's great success in that the free trade panel, he claims, upholds Canada's sovereign right to control our own resource as long as we let the Americans tell us how many of our fish we can land.

I have been concerned about our status as a sovereign nation under the free trade deal, but I was very surprised to learn that a minister of the Crown shared my concerns.

The government has had the preliminary report in hand for 33 days, 27 days remain. In the time coming, is the minister confident that he can come up with a plan for landing, identifying and counting 80 per cent or 90 per cent, or whatever percentage, of each of the continual many runs of salmon of each of the species?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, certainly I am absolutely confident that we can do that because that is my responsibility under Canadian fisheries legislation.

Some Hon. Members: Oh, oh!

Mr. Siddon: In fact, Mr. Speaker, we still have about 27 days to carefully read this report. If the hon. member would read paragraph 7.40, for example, he would find that the Canadian prerogative takes proportion over any percentage of fish which might be accessed by sea by the Americans in that it it says, and I quote: "Though any such proportion would have to be determined on the basis of the actual data and management needs of each fishery or group of related fisheries, the panel was of the view that the 10 to 20 per cent range referred to earlier could provide appropriate guidance". So, the numbers of 10 to 20 per cent are subject to our conservation and management requirements.

* * *

EMERGENCY MEASURES

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, my question is for the Minister of National Defence in his capacity as lead minister for emergency preparedness. In view of the terrible disaster yesterday in San Francisco, can the minister explain why, in 1986, his government cut back on a 12-year earthquake prediction research program within Energy, Mines and Resources?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I think all members of the House would want to express sympathy to the families of those people in northern California who lost their lives, as well as to the other families who are there.

With regard to the hon. member's question, throughout government we have taken efforts to constrain spending and to bring about a rational approach to spending by the departments, particularly the departments to which the member refers.

With respect to emergency preparedness, I can inform the hon. member that next week, Tuesday through Thursday, in co-operation with the Government of British Columbia, there will be an emergency preparedness symposium held in British Columbia. I see the leader of the New Democratic Party laughing, Mr. Speaker. I would suggest that he knows, and his colleagues know, that the municipal and provincial governments have lead roles in emergency preparedness. They are the first on the ground. They are the first to react. We co-operate with them as a national government. We provide the expertise that we can provide. We have a training program and provinces have training programs. Located just some 30 miles from where the hon. member sits is one of the best emergency preparedness training programs for municipal and provincial bodies at Arnprior, supported by Emergency Preparedness Canada.

* * *

• (1450)

EAST GERMAN REFUGEES

Mr. John Reimer (Kitchener): Mr. Speaker, my question is for the Minister of Employment and Immigration. For over 200 years, German speaking people have emigrated to Canada, making them the third largest ethnic and language group in Canada behind the English and French. In view of recent events with the thousands of people leaving East Germany and that many Canadians of German origin are anxious and willing to help some of these people come to Canada, is the Govern-

ment of Canada prepared to open our doors to some of these East German refugees?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I think that all of us in this House have been touched by what we have seen in East Germany in recent weeks and months.

My officials and I have been in contact with the representatives of the German Canadian community. I will be meeting with the German Canadian Congress on October 26 and we will be discussing with them how the German Canadian community might assist with East Germans who may want to come to Canada.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question today is for the Minister of Justice.

As he knows, last week, at least 500 elected municipal officials met in Montreal at an international conference to discuss crime prevention. They raised the idea that prevention is at least as important as repression.

At the end of the conference, they issued a statement criticizing the federal government both for its lack of support for prevention projects and for its lack of leadership.

I ask the Minister of Justice how he will answer.

[*English*]

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate my colleague's comments. I was at the very same conference.

The federal government has been very actively involved in crime prevention. We are conducting surveys and studies. We are getting information on crime prevention policies and comparing these with the ones that exist in Europe, Australia and the United States. We were an active partner in the planning of the very conference that my friend was at.

We have provided the national drug strategy, the proceeds of crime legislation. All of these are part of an ongoing program of crime prevention which we think, according to the latest statistics, is succeeding.

[*Translation*]

Mr. Kaplan: Mr. Speaker, despite the Minister's statement, as he must know, the Canadians who were at the conference saw that the federal Government's participation was much less than that of other countries, especially from Europe.

I want to ask the Minister, since the Government transferred responsibility for prevention from the Solicitor General to Justice without transferring any funding, why not increase the funding, restore the funding that the Solicitor General had for prevention, instead of transferring responsibilities with no transfer of funding.

[*English*]

Mr. Lewis: Mr. Speaker, I reject that categorically. We organized the convention. We had most of the displays there from Health and Welfare and Solicitor General. The Solicitor General and I were both there and participated in the program. There was hardly any participation or displays from the municipalities. We were there. We were there in spades.

* * *

HEALTH AND SAFETY

Mr. Stan Keyes (Hamilton West): Mr. Speaker, for an investment of $10 million a year, the Canadian Centre for Occupational Health and Safety has provided cost–free, unbiased, impartial information for a decade, and in the process, has saved the Government of Canada hundreds of millions of dollars a year in health care costs. Certainly what we are dealing with here is an ounce of prevention for a pound of cure. In fact, it is a good business practice.

My question is for the Minister of Labour. Why is this government gambling with a good investment of Canadian taxpayers' dollars?

[*Translation*]

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I would like to answer the hon. member that the Government of Canada takes no chances with the wonderful work done over the years by the Centre for Occupational Health and Safety. A while ago, in accordance with the director of the centre, we asked that a plan for financing the centre from non–government sources be drawn up, since the government has invested $60 million in this centre over the last 10 years. And I am

very pleased to tell the hon. member opposite that about two weeks ago, the Board of the Centre rejected as inapplicable the plan submitted to it by the Director and asked a task force from the centre to prepare another plan to present to the Minister of Labour for meeting the objective we set for the Centre, namely to continue its excellent work but with funds from sources outside the federal treasury.

[*English*]

Mr. Keyes: Mr. Speaker, I heard the minister say, "absolutely no risk", and yet this occupational health and safety centre, internationally recognized, has been built on trust between government, business and labour, and under a deal where they are going to find financing privately, labour has threatened to withdraw its service. There is risk, I want to remind the minister.

Given that for a decade, the Canadian Centre for Occupational Health and Safety has paid for itself hundreds of times over, and given the potential of increased health care costs and losses in productivity, will the minister reinstate funding and admit that he has made a mistake?

Mr. Corbeil: Mr. Speaker, there is absolutely no risk that the centre will be closed because there are ample opportunities for the centre to find financing in the market-place. There are all kinds of avenues that have been considered by the council of governors and the proof of the pudding is in the fact that they have agreed to prepare a plan themselves to present to the Minister of Labour indicating that the plan can find the financing from other than the treasury of the federal government.

* * *

CHILD CARE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, yesterday, child care workers in Manitoba staged a day of protest outlining their anger at their status under the Tory government of that province.

Today is Person's Day, and is significant in that a woman's status and equality are very much dependent on her economic freedoms. Economic freedoms depend on the availability of safe, quality, affordable child care.

Would the Minister of Finance acknowledge that the Status of Women depends on the federal government and take the lead in supporting child care by providing adequate funding?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as the hon. member well knows, the federal government shares in the funding of child care through the Canada Assistance Plan, an open-ended plan that the provinces can take up as they see fit. We are always there with them in providing that operating funding.

Having said that, we did have child care legislation in this Chamber. It was held up in the other place and did not pass. Since that time, the Prime Minister, the Minister of Health and Welfare and I have all been working very hard in assuring Canadians that we will have new child care legislation in this country. But I would encourage the provinces, in the meantime, to use the Canada Assistance Plan.

Ms. Langan: Mr. Speaker, I would like to thank the hon. Minister of Employment and Immigration. In view of the fact that she now speaks on behalf of the Minister of Finance, possibly on this 60th anniversary of Person's Day, a day that is important to both of us as women, the minister responsible for the Status of Women might be prepared to finally go on the record in cabinet and publicly in support of additional funding for much needed child care.

• (1500)

Mrs. McDougall: Mr. Speaker, I think that every member in this House knows how much I care about this issue, whether it is Person's Day or not. As a member of this government, I can say we worked very hard on the legislation the last time. I was very proud of that legislation. If we had not run into problems in the other place from those people, we would have child care in place in Canada today.

Mr. Deputy Speaker: We will close Question Period with one question from the member for Cape Breton—East Richmond and one question from the member for Parry Sound—Muskoka.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is to the same minister. I can inform the House that Canadians are not overly impressed with the concern that this government is showing with regards to the child care issue.

Child care workers in this country earn 30 per cent less than the average industrial wage, 50 per cent less than a teacher at the elementary level and 30 per cent less than animal care workers on government farms.

Will the minister inform the House what leadership role the Government of Canada is taking to ensure that the remuneration for child care workers in this country is increased, thereby adding significantly to the quality of child care which I believe is the objective of all members of this House.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, it certainly is a primary objective of this minister and of this government. He knows full well that the issue he is talking about, which I think is a very important one for the workers themselves and for the children of Canada, is a provincial jurisdiction.

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FISHERIES

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. The minister is well aware of the serious situation concerning the huge increase in lamprey eels in the Great Lakes. I contacted him, and I know of others who have also contacted him. It is serious as far as the tourist industry, the sports fishing and commercial fishing industries are concerned.

I am wondering if the minister has been able to get any funds to look after this very serious situation.

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the members of the House will be pleased to learn that Canada is increasing substantially its contribution to the work of the Great Lakes Fisheries Commission. The Great Lakes Fisheries Commission was created in 1955 because of the heavy decimation of the Great Lakes fish stocks by the sea lamprey. In 1990, Canada and the United States will be jointly funding this work to the tune of $11.5 million. The Canadian share is being increased by 40 per cent.

I am pleased to report that the work of the hon. member for Parry Sound—Muskoka and other members from the Great Lakes area in all parts of this House have enabled us to make this very important contribution to a very worthy program.

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

TABLING OF ANNUAL REPORT

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table in this House, in both official languages, the annual report to Parliament on future immigration levels, 1989.

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ORDER IN COUNCIL

TABLING OF APPOINTMENTS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table in both official languages a number of Order in Council appointments which were made by the government pursuant to the provisions of Standing Order 110(1). These are deemed referred to the appropriate standing committees, a list of which is attached.

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[*Translation*]

NATIONAL MUSEUMS OF CANADA

TABLING OF ANNUAL REPORT FOR THE YEAR 1988–89

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I have the honour to table, in both official languages, the Annual Report of the National Museums of Canada for 1988–89.

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INTERNATIONAL ASSEMBLY OF FRENCH-SPEAKING PARLIAMENTARIANS

PRESENTATION OF THIRD ACTIVITY REPORT OF CANADIAN SECTION

Mr. Deputy Speaker: I would like to table, in both official languages, the third report of the activities of the Canadian Section of the International Assembly of French-Speaking Parliamentarians.

[*Editor's Note: See today's Votes and Proceedings.*]

[*English*]

PETITIONS

PROPOSED GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the duty to table a petition signed by several constituents. message to the government to the effect that the present manufacturers' sales tax has already been increased by the federal government from 9 per cent to 13.5 per cent in less than five years, that the Conservative federal government wants to impose on Canadians a new general 9 per cent tax on goods and services, that this tax will be hidden from Canadians and will be applied virtually to everything they buy, that the imposition of this new general goods and services tax will cause serious and unfair hardship to low and middle-income Canadians and that the imposition of this tax will create an onerous burden on small businesses. Wherefore, the undersigned petitioners humbly pray and call upon this Parliament to reject the proposed goods and services tax.

PROPOSED NATO TRAINING CENTRE

Hon. William Rompkey (Labrador): Mr. Speaker, I have the honour to present a petition on behalf of almost 2,000 people in the community of Happy Valley—Goose Bay, Labrador. You will understand that out of a population of 8,000, that is a sizeable portion of the adult population.

Their prayer is that Parliament will do everything within its power to help the Canadian forces base at Happy Valley—Goose Bay, Labrador, become a NATO training centre.

UNEMPLOYMENT INSURANCE

Hon. William Rompkey (Labrador): Mr. Speaker, I would like to present a further petition on behalf of some 700 fishermen in Labrador, who reject the cuts in unemployment insurance and propose more meaningful reforms. They call upon the Parliament of Canada to support them, particularly in regard to the extension of the benefit period on the Labrador coast until the end of June, and to concentrate on a labour force development strategy combined with a full employment policy and an effective regional development policy.

[*Translation*]

PROTECTION OF THE ENVIRONMENT

Mr. Gilles Bernier (Beauce): Mr. Speaker, I have the honour to table a petition signed by 2,500 people from the federal riding of Beauce who ask the Government to continue to be concerned about the problem of the ozone layer and pollution in general in Canada and to protect the forests and wildlife.

With pleasure I table this petition from people in Beauce.

[*English*]

RIGHTS OF THE UNBORN

Mr. Benno Friesen (Surrey—White Rock) Mr. Speaker, I have the honour to present 66 petitions, accounting for over 1,500 names, circulated by an organization called "Give Life, Canada", from Lower Sackville, Nova Scotia. These names have been submitted from all over British Columbia. The petition reads in part: "At the present time there is no law in Canada protecting the life of a pre-born child from conception to birth. We, the undersigned, believe in the sanctity of human life from the moment of conception and believe that human life is a gift given by God and that it is unique and special. We believe that there is a need for a just law which safeguards the right to life of the pre-born to be protected through their growth process to birth." It contains several other points, and it goes on to say: "Wherefore, the undersigned humbly and pray and call upon Parliament to formulate and legislate a law to protect life from conception, a law which seeks to save the life of both mother and child".

VIA RAIL

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today under Standing Order 36 to present two petitions on behalf of the constituents of Lambton—Middlesex. They are exercising their ancient right to petition the government to maintain and upgrade VIA services across Canada and to offer the Canadian people an alternative to highway congestion and airport delays.

OPPOSITION TO BILL 178

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, I have the honour to present a petition certified correct as to form and

content from citizens in Ernestown Township, who call upon the government to exercise its constitutional right and disallow Quebec's Bill 178.

• (1510)

PROPOSED GOODS AND SERVICES TAX

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I have the privilege of presenting today a petition on behalf of residents of two apartment buildings in Ottawa West, which are largely occupied by retired senior citizens of this community. The petitioners object to the imposition of the new goods and services tax which will cause serious and unfair hardship to low and middle-income Canadians and an onerous burden on small business. The petitioners pray and call upon Parliament to reject the proposed goods and services tax.

Mr. Gilbert Parent (Welland—St. Catharines—Thorald): Mr. Speaker, I have the honour to present a petition on behalf of some of my constituents with regard to the goods and services tax. This despicable tax is opposed by the signatories on this petition, as we in the Liberal party also oppose it. We would hope that the Conservative government would come to its senses and do the right thing by withdrawing this tax or even the thought of imposing this tax on Canadians.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present a petition on behalf of the residents of Parkdale—High Park who object to the Conservative government imposing on Canadian taxpayers at least 31 new taxes or tax increases.

The petitioners object to the present government increasing the federal manufacturers' sales tax from 9 per cent to 13.5 per cent. They also object to the government's imposition of the new general 9 per cent tax on goods and services, and stress that this will cause serious and unfair hardship to low and middle income—Canadians. They are also stressing that the imposition of this tax will create an onerous burden on small business. The petitioners humbly pray and call upon Parliament to reject the proposed goods and services tax.

VIA RAIL

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I have a second petition to present on behalf of Canadians. They are objecting to the elimination of VIA Rail's existing routes and thousands of jobs. The petitioners are complaining that the rail passenger service is the safest and most environmentally friendly mode of travel and should not be cut. They call upon Parliament to urge the Government of Canada not cancel, in whole or in part, rail passenger services in Canada.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, I have the pleasure to present a petition signed by more than 1,000 citizens, most of whom live in the riding of Carleton—Gloucester.

[*English*]

This petition is against the goods and services tax as proposed by the present government. It gives me pleasure to support this petition.

Mr. Lewis: On a point of order, Madam Speaker, there have been discussions among the parties. I think you would find that there would be unanimous agreement, after all the petitions have been submitted, to revert to Statements by Ministers in order that the Hon. Minister of Employment and Immigration may make a statement, and to allow the opposition parties to reply.

The Acting Speaker (Mrs. Champagne): Is there unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): We will finish with the presentation of petitions and then revert to the statement of the hon. minister.

VIA RAIL

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have the honour to present, pursuant to Standing Order 36, a petition signed by the people of Montreal with respect to the discontinuance of VIA Rail lines between Montreal and Toronto and Toronto to Windsor in what is commonly referred to as "the corridor". They petition the government to rethink its position with respect to VIA Rail, and to come to its senses and provide passenger train service for people who require it.

RCMP DRESS CODE

Mr. Larry Schneider (Regina—Wascana): Madam Speaker, I have the duty, pursuant to Standing Order 36, to present to the House a petition duly certified by the clerk of petitions and signed by 152 of my constituents.

The petition deals with the preservation of the distinctive heritage and tradition of the RCMP uniform.

PROPOSED GOODS AND SERVICES TAX

Mr. Stan Keyes (Hamilton West): Madam Speaker, I have the honour and duty, pursuant to Standing Order 36, to present to the House a petition on behalf of 95 constituents on Queenston Road in Hamilton. The petitioners humbly pray and call upon the government to reject the proposed goods and services tax.

VIA RAIL

Mr. Stan Keyes (Hamilton West): Madam Speaker, I also have the duty to present a petition, duly certified by the clerk of petitions, which calls upon the government to live up to its original pledge to support VIA Rail, to abandon plans for further cuts to VIA's budget and to provide the necessary resources to allow VIA to operate as a modern, effective transportation company, rather than a museum.

Mr. Jim Jordan (Leeds—Grenville): Madam Speaker, it is a pleasure, in accordance with Standing Order 36, to present a petition on behalf of citizens across Canada objecting to the government's cut in VIA Rail. I can attest to the propriety of this petition as to form and content and it is a pleasure to present it.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Mac Harb (Ottawa Centre): Madam Speaker, pursuant to Standing Order 36, I have the privilege of presenting in the House today a petition on behalf of Canadians who object to the cuts at VIA Rail.

PROPOSED GOODS AND SERVICES TAX

Mme Shirley Maheu (Saint-Laurent—Cartierville): Pursuant to Standing Order 36, I have the honour and the privilege of tabling 17 petitions from Canadians from l'Île-Perrot to Repentigny, in which the petitioners object to the universal tax on goods and services, a tax that would result in serious hardship and be unfair to low and middle income Canadians.

[*English*]

I also have six additional petitions from Canadians who are worried and are asking the government to withdraw the tax which will be hidden and will be applied to virtually everything they buy.

VIA RAIL

Mr. Joe Fontana (London East): It is an honour to present to this House a petition containing hundreds of names. It calls upon this government to rescind its action with respect to VIA Rail. These hundreds of names are in addition to the thousands and thousands that have been presented to this House so far.

CANADIAN ARMED FORCES

Mr. Joe Fontana (London East): Also, Madam Speaker, pursuant to Standing Order 36, I would like to present to this House petitions from people in my home city of London asking the Minister of National Defence and this government to reverse their action in closing CFB London.

CANADIAN WHEAT BOARD

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, I rise today to present a petition duly endorsed by the clerk of petitions. It is a petition signed by a number of producers from western Canada who are concerned with the government's handling of the Canadian Wheat Board. In particular, they are very concerned about and critical of the fact that oats was removed from the jurisdiction of the Canadian Wheat Board without prior consultation with the Canadian Wheat Board advisory committee or with major farm organizations in western Canada.

They are concerned about the future of marketing boards and believe that orderly marketing of farm products should not be weakened but, in fact, strengthened. They therefore petition the House and the government to place oats and barley under the Canadian Wheat Board Act and give them the same protection as wheat.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, in accordance with Standing Order 36, this petition has been duly certified, and it is now my duty and, in fact, a great pleasure to present the views of hundreds of

Canadians who strenuously object to the proposed goods and services tax which constitutes an unprecedented attack on the incomes of Canadians by obliging them to pay higher taxes and increasing inflation, interest and unemployment rates.

[*English*]

VIA RAIL

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, it is my privilege to respond to the call of constituents who avail themselves of their ancient and undoubted right to present a grievance with respect to VIA Rail. They state that the Government of Canada has decided to eliminate many of VIA Rail's existing routes and thousands of jobs, with which I agree. They state that the people of Canada deserve a high quality passenger rail service including modernized equipment and a rapid rail system throughout the corridor, that annual subsidies provided by the Government of Canada to VIA Rail are not disproportionate to subsidies required for a highway infrastructure and airports, that several rural communities rely exclusively on rail passenger service, and that the tourism industry in Canada relies on rail passenger service. It is environmentally friendly and therefore the petitioners ask the Government of Canada not to cancel part of VIA Rail.

• (1520)

PROPOSED GOODS AND SERVICES TAX

Mrs. Beryl Gaffney (Nepean): Madam Speaker, pursuant to Standing Order 36, I am pleased to stand here and present a petition with over 100 signatures with regard to the goods and services tax. These petitioners all reside in my constituency of Nepean and they are strongly opposed to the new goods and services tax that this government is proposing.

The feel it will cause serious and unfair hardship to low and middle income Canadians and they ask this government to rescind its decision and not move ahead with the GST.

OLD AGE SECURITY

Mrs. Beryl Gaffney (Nepean): In addition, Madam Speaker, I have a petition with regard to the clawback and it signed by 50 senior citizens in my riding of Nepean. These seniors are very concerned with this proposal of the government and how it will hurt them in their retirement years. They ask the Government of Canada to abolish the clawback of the old age security and reaffirm its commitment to universality.

VIA RAIL

Mrs. Beryl Gaffney (Nepean): In addition, Madam Speaker, I have a petition on VIA Rail signed by 155 petitioners, also in my riding of Nepean, who are very concerned with the government's cut-back of VIA Rail. They ask that the government rescind its decision, and they humbly pray and call upon Parliament to urge the Government of Canada not to cancel, in whole or in part, the rail passenger services in Canada.

Ms. Beth Phinney (Hamilton Mountain): Madam Speaker, I have a petition, certified correct, pursuant to Standing Order 36, from many Canadians who want VIA Rail service improved and expanded. These petitioners humbly pray and call upon Parliament to urge the Government of Canada not to cancel, in whole or in part, rail passenger service in Canada.

RIGHTS OF THE UNBORN

Mr. Al Horning (Okanagan Centre): Madam Speaker, I have the honour of presenting to the House of Commons six petitions from residents of my constituency, totalling 205 names and stating that at the present time there is no law in Canada protecting the life of the pre-born child from conception to birth. They call upon Parliament to formally legislate a law to protect life from conception, a law which seeks to save the life of both mother and child.

OPPOSITION TO BILL 178

Mr. Al Horning (Okanagan Centre): I also have a second petition with 36 names which opposes Quebec's Bill 178 and asks Parliament to pass a resolution of the House of Commons urging the Governor General in Council to give full force and effect to the Canadian Charter of Rights and Freedoms and by the exercise of this constitutional power, to disallow Bill 178 in the province of Quebec.

RIGHTS OF THE UNBORN

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, it is my honour, pursuant to Standing Order 36, to present a petition signed by thousands of constituents in my riding of Cape Breton Highlands—Canso who decry the fact that currently there is no legislation to protect the unborn.

To express the depth of their concern, they want Parliament to know that they are anxious for a new law to be put in place which will protect the unborn from the

moment of conception onward and urge Parliament to introduce this legislation as soon as possible.

I want to underline the depth of their feeling on this issue. There are thousands of names on this petition and it is the second series of petitions which we have on this question.

VIA RAIL

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Madam Speaker, I rise pursuant to Standing Order 36 with a petition on the subject of VIA Rail. It is one of a long series of petitions on the same subject from my constituency. This one is signed by constituents of mine from Revelstoke and Castlegar, British Columbia. There are a number of other signatures from persons as far afield as Nanaimo, B.C.; Calgary, Alberta; Hamilton, Ontario; and Aldergrove, British Columbia; who were passengers on the VIA Rail system, on an over-crowded Canadian line of the VIA Rail system, when they signed these petitions.

The petitioners object strongly to the proposed cuts to the VIA Rail budget and ask in particular that Parliament act to maintain VIA Rail's present national network, to upgrade VIA Rail with new equipment and to give VIA Rail a sufficient budget to maintain a national mandate for passenger service.

FOREST RESOURCE DEVELOPMENT AGREEMENT

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Madam Speaker, I also have a second petition, this time on the subject of the Forest Resource Development Agreement. Half of the petitioners are constituents of Kootenay West—Revelstoke and the other half of the signatories come from the riding of Prince George—Peace River, the constituency of the minister responsible for forests.

In this petition the undersigned state they encourage the Parliament of Canada to renew this important agreement with British Columbia and thereby provide for a renewed commitment to restocking our forest land, advancing forestry research, promoting silviculture and assisting the forest industry in developing the new products and markets that will provide us with forestry jobs of the future.

VIA RAIL

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I am pleased to present a petition, pursuant to Standing Order 36, by persons across Canada who object to the government's policy of cutting VIA Rail. They indicate in their petition that these cuts are unfair, that it is a policy that is not to be countenanced in Canada because it destroys one of the very basic industries upon which our country was founded. They call upon Parliament to reject any cuts in VIA Rail and for the government to avoid any cancellation of any train service across this country.

Mr. Ross Harvey (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 36 to present several copies of the same petition signed by Albertans from Medicine Hat, Redcliff, Grande Prairie, Beaver-Lodge, Sexsmith, Winterburn, St. Albert, Stony Plain, Sherwood Park, Fort Saskatchewan, Ponoka, Lacombe, Wetaskiwin and, of course, the great metropolis of Edmonton. The petitioners call on the government to support VIA Rail, to abandon plans for cut-backs and to provide the necessary resources to allow VIA to operate as a modern effective transportation company.

Mr. David Walker (Winnipeg North Centre): Madam Speaker, pursuant to Standing Order 36 I rise to present a petition on the issue of VIA Rail and the cuts to VIA Rail. It is signed by 60 people living throughout Canada who were on the train when we were doing our cross-country task force and agree that together they would like to see that the VIA Rail cut-backs be changed, that existing routes and thousands of jobs not be eliminated. Canada deserves a high quality of passenger rail service including modernized equipment and a rapid rail system. They agree that the rail passenger system is the safest and most environmentally friendly mode of travel.

They ask that Parliament reconsider this decision and support VIA Rail.

Mr. Lyle Vanclief (Prince Edward—Hastings): Madam Speaker, I too rise today to add even more names to the list of Canadians who are requesting that the government rescind its decision on the changes to VIA Rail.

PROPOSED GOODS AND SERVICES TAX

Mrs. Christine Stewart (Northumberland): Madam Speaker, I present petitions today signed by constituents in my riding of Northumberland. They come from the villages of Colbourne and Campbellford and for the most part represent farmers and small business people. They want the government to understand that they are not wealthy Canadians, that they do not have margins of profit that can sustain the proposed goods and services tax. They want the government to know that they will have to go out of business if this tax goes through. They

urge the government to withdraw in its entirety the goods and services tax proposed.

VIA RAIL

Mr. Bob Speller (Haldimand—Norfolk): Madam Speaker, I rise under the provisions of Standing Order 36 to present a petition by a number of people in the towns of Simcoe and Brantford who are very concerned about the way VIA Rail is going to be cut in their towns.

They pray that this government to cancel these cuts from VIA Rail.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Gilles Rocheleau (Hull—Aylmer): Madam Speaker, pursuant to Standing Order 36, I once again rise in the House on behalf of 4,577 petitioners who signed 154 duly certified petitions. Your petitioners, residents of the riding of Hull—Aylmer, humbly pray and call upon Parliament to reject the Conservative government's proposed goods and services tax, a tax that is invisible, regressive, complex and unfair to all Canadians.

[*English*]

VIA RAIL

Mr. George S. Rideout (Moncton): Madam Speaker, I rise pursuant to Standing Order 36 to lodge with you a petition requesting the government to change its decision on VIA Rail and to reinstate this most vital service to all Canadians, particularly to the people in my riding.

• (1530)

The Acting Speaker (Mrs. Champagne): As was agreed earlier, we will now revert to Statements by Ministers and recognize the hon. Minister of Employment and Immigration.

Statements by Ministers

IMMIGRATION

ANNOUNCEMENT OF 1990 PLAN

Hon. Barbara McDougall (Minister of Employment and Immigration): Madam Speaker, I appreciate the unanimous consent for me to make a statement this afternoon.

I want to point out that the decision to increase planned immigration to Canada in 1990 from 165,000 to 175,000 immigrants as per the reports I tabled, an increase of 15,000 over the previous year's planning range, is a decision that is in keeping with the blueprint outlined in the Speech from the Throne.

The 1990 level was determined after consultations with provincial and territorial governments, as well as with non- governmental organizations, and represents a consensus which has emerged during our consultation process of the past several years.

[*Translation*]

The immigration levels this government has established, Madam Speaker, reflect a constantly evolving balance among many elements—family reunification, protection of genuine refugees, as well as labour market needs. All of these factors must be carefully weighed before we determine what level is best for Canada and the people who settle here.

We are now about to begin a series of consultations with government and service organizations to establish a longer-term plan for immigration levels and the balance among all of these categories.

Family reunification remains the cornerstone of the current immigration program and in 1990 Canada plans to admit 61,000 immigrants with close relatives in Canada—spouses, unmarried dependents and older parents.

[*English*]

This is 4,000 more than the 1989 target and reflects the expected demand of sponsorships for relatives of people now living in Canada under the expansion to the family class that we had introduced earlier.

Also in 1990 about 13,000 refugees will be admitted from abroad under government sponsorship. Within this

global target the number accepted from Southeast Asia puts us on track to meeting the commitment that I announced in Geneva this summer to resettle 16,000 Southeast Asian refugees by 1992.

In 1990 we expect the private sector will sponsor the admission of some 13,000 refugees also as a continued expression of its commitment. In all, Canada will resettle some 26,000 refugees during 1990. Another 7,000 people are expected to be landed as refugees during 1990 after having been examined under our new refugee determination system.

Finally, 3,000 to 6,000 people with family ties to Canada will be admitted under special humanitarian measures.

[*Translation*]

These increased immigration figures reflect a broad consensus that emerged through consultations among national non-governmental organizations and regional, local and community groups over the past few years.

As all members of this House are aware, our immigration levels have increased every year since this government came into office. Immigration is currently around the post-war annual average.

But Canada needs to plan its immigration levels for more than a single year at a time, since levels decisions have an impact on many federal and provincial government departments as well as on agencies that help immigrants settle in Canada.

It is now time to re-evaluate the situation and prepare a comprehensive plan for the 1991-1995 period.

[*English*]

In preparing this plan, we will ask our consultative partners to take into consideration demographic movements, Canada's current and projected population size, where people choose to live, and related social and economic trends. The motivation behind the extensive consultations that I am launching in November 1989 is to continue to March 1990.

In expanding our consultations we will draw on a wider range of views in formulating immigration policy for the medium term. I intend to be personally involved in these consultations, because I want to emphasize that I attach considerable importance to this exercise.

We will ask experts on economic, social and demographic trends in immigration to contribute up to date information and data to our discussions. We will invite representatives from all levels of government, as well as from business, labour, health, social services and education, to make their views known in a series of multi-disciplinary dialogues.

One of the objectives of these consultations is to dispel myths about the effects that immigration has on Canada and to develop a broader dialogue on immigration.

[*Translation*]

I am sure that this dialogue will convince us even more that immigrants make a valuable contribution to Canada, that they enrich our society and our economy and that they help us maintain our tradition of tolerance which is envied by all.

[*English*]

I am confident that this exchange of views and information will assist the government in formulating the specific number and mix of immigrants that Canada should plan to admit during the 1991-1995 period in accordance with the government's general intention to increase immigration levels. I am looking forward to a constructive dialogue on the impacts of immigration, an important component of the economic and social development of our country.

Mr. Sergio Marchi (York West): Madam Speaker, I am very pleased on behalf of my colleague, the associate critic on immigration, the member of Parliament for Scarborough West, and my colleagues in the Liberal party to respond to what in essence was a very poor, unimaginative and uncreative blueprint if one can call it that. I say that for four reasons.

First, the increase in the announced levels for next year is only marginal and substantial at the very best. Not only does it keep with the past increases—for instance, last year it was 25,000—but it loses its impact particularly at a time when all the so-called experts are calling for an additional number of immigrants into Canada, and a substantial number.

Therefore it does not address the world realities or the needs of Canada because we have an ageing population and a dwindling birth rate. We have an out-migration of some 70,000 people a year and therefore we need to constructively and positively harness energies and engage Canadians in a debate on how we face this looming

crisis of population and population decline in this country.

We do not need a short-term five-year plan. What we need is long-term vision that will try to harness the viewpoints of all Canadians. What I would suggest to the minister is to appoint a royal commission so that it may once and for all try to tap into the views and the feelings of all Canadians, of all Canadian groups and entities from all regions of this country; so that we may look at immigration positively as opposed to leaving the important decisions for the year 2000, only to be faced with insurmountable challenges at that particular time which will only perhaps incite some kind of backlash across this country.

The second problem with these announced immigration levels is the issue of family class within the Tory agenda of immigration. Under successive Liberal governments the family class and assisted family class levels comprised approximately 50 per cent of our over-all immigration policy. It was clearly a cornerstone of Liberal immigration policy.

Under five successive years of Tory administration, we have seen the family class levels slip. Last year it was at 32 per cent; this year it is at 36 per cent. Business as usual.

What we are seeing is that the difference between the traditional levels of 50 per cent and some mid-30 range is causing a great deal of frustration among the many Canadian families we meet every week in our constituency offices, because they cannot sponsor quickly enough or successfully enough family reunification programs.

Therefore I reiterate that the Tories have failed to upgrade the family class level to its proper and traditional place, something that Canadians from coast to coast have been articulating and have been asking this government to do.

• (1540)

The third area is on the question of refugees. We have seen from our own documents that private sponsorship in the last number of years has doubled. It has gone from 6,000 a couple of years ago to 10,000 this year to 13,000 next year. At the same time, we have seen government levels stay the same. They have basically been the *status quo.*

What we are seeing, of course, is a shift away from a strong government commitment to one of a greater community commitment. While the community commitment ought to be there, we are also saying that the government commitment should increase proportionately, because otherwise there would simply be a one-sided commitment and what we need is a two-prong approach.

Another matter dealing with refugees was the curious aspect that neither in the minister's response nor in her documents does she talk about the refugee backlog, which is an absolute mess and nightmare from the word go. There are over 100,000 people in the backlog, some 85,000 claimants all told. Up until a couple of weeks ago only 57 claims had been finally processed. Those people cannot afford to wait two, three or four years for that backlog to be cleared. Canada cannot afford to go through this expensive and time consuming exercise. What we need is a minister to recognize that there is a grey area between her black and white view of immigration, that there is a compromise solution that offers a win-win solution.

The fourth item is that this blueprint ignores the international realities and world opinion. For instance, the Prime Minister travelled to Singapore just a few days ago and he was criticized, justifiably so, for promoting a very selective immigration policy in that part of the world that "skimmed the cream", that allowed rich business immigrants to immigrate without balancing with family class, without balancing with refugees from that part of the world. The minister did not address this feature. She failed to address the other feature of business immigration, that is say, to ensure that the business proposals by which they are approved are in fact being realized in this country.

On the international stage the minister also failed to make any mention about the historical developments in eastern Europe, particularly the question of East German migration and particularly since she has had discussions with the Canadian German community in this country. We allowed special movements in 1956 from Hungary of 37,000; in 1968, 12,000 Czechoslovakians; and in 1982, 10,000 Polish citizens. There is not one mention about Canada being in touch with the movements in eastern Europe *vis-à-vis* immigration.

Finally, I also would like to simply and quickly address a comment made by the Prime Minister whereby he suggested that there are "racist tendencies" in some Canadians about refugees and immigration. This is the same Prime Minister who announced a national crisis and called a national emergency session of Parliament

over a couple of hundred refugee claimants who landed in eastern Canada. That lecture is misguided and, if there is any tolerance, understanding, or education, it ought to start with the Prime Minister and the government.

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, I am pleased to have this opportunity and I thank the House for agreeing to make it possible for the statement and the replies, because the minister's report shows a consistently anti-democratic bias throughout.

She restricted both the total increase in immigration and the annual consultation, while the government cuts back on adjustment programs for immigrants. She is restricting family reunification as a proportion, while expanding the brain drain. She restricts refugees from police states and death squads in Central America so as to increase economic migrants from eastern Europe.

In Canada, the minister is sweeping nearly 100,000 refugee claimants of the old backlog under the rug by denying them right of counsel and using specially distorted guidelines for so-called humanitarian review. Furthermore, she refuses to say what she will do with the 7,500 in the new refugee backlog for 1989.

The increase of only 10,000 or 15,000 total immigration flies against the unanimous recommendations of the Tory led committee on labour, employment and immigration in 1985. Holding back the demographic study that was promised for 1988 and excluding many immigrant support groups from the consultation enables her to run her program through with sham consultation.

While her colleagues reduce opportunities for immigrants, especially women, to learn English or French as a second language, by cancelling the citizenship instruction and language training program she cuts back job training opportunities for immigrants as well as Canadian born workers.

While increasing the target for family reunification, which is the cornerstone of her immigration policy, by only 7 per cent, she boosts the business immigrants and families of selected workers by 21 per cent and the retirees by 50 per cent. This goes with increasing delays in family class applications as immigration staff is transferred to business immigration.

The anti-democratic bias shows most in the minister's overseas refugee plan. She is increasing the level for eastern Europe and reducing the level for Latin America. She hides almost 4,000 questionable refugees from eastern Europe by not including them in her totals. They are the designated class who need not show a well-founded fear of persecution. Yet, eastern Europe is becoming more free, as she herself acknowledges, while the death squad killings increase in Guatemala, El Salvador and Chile. She claims that private sponsorships for Central America have declined, although she knows that the reason why sponsorships have declined is that her overseas consular officers have delayed interviews and applications.

Finally, the Minister predicts only 7,000 to be landed annually of those who claim refugee status while in Canada since January 1, 1989. This is shocking. After more than nine months the immigration and refugee board has already granted refugee status to 3,049, while 7,555 have not yet received decisions in their cases. Most of them have not even had their cases opened. So does the Minister plan to deport over 4,500 of them and any more that come before December 31, without giving them any hearing at all on their claims?

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, Question No. 142 will be answered today.

[*Text*]

FUNDS DERIVED FROM DRUG MONEY TURNED OVER TO CANADIAN AMBASSADOR IN WASHINGTON

Question No. 142—**Mr. Kaplan:**

Has the United States Drug Enforcement Administration turned over any funds derived from drug money forfeitures to the Canadian ambassador in Washington and, if so (a) what amount (b) to what use is it the intention of the government to put the money?

Right Hon. Joe Clark (Secretary of State for External Affairs): On Thursday September 21, 1989, at a presentation ceremony held in Washington, Canadian Ambassador Burney accepted a cheque for $US 1,000,000.00 from US Attorney General Thornburgh. These monies represent the Canadian share of $US 5,000,000.00 forfeited from money laundered in the Polar Cap Case and was provided to Canada pursuant to a bilateral Memorandum of Understanding signed on September 7, 1989.

The cheque was forwarded to the Department of External Affairs and deposited to the Miscellaneous Revenue Account of the Consolidated Revenue Fund on Monday October 2, 1989.

[*English*]

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

[*Translation*]

The Acting Speaker (Mrs. Champagne): The question enumerated by the parliamentary secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall all notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Tuesday, October 17, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-28, an act to amend the Income Tax Act, the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, the Old Age Security Act, the Public Utilities Income Tax Transfer Act, the War Veterans Allowance Act and a related act, be read the second time and referred to a legislative committee.

Mr. Cooper: Madam Speaker, yesterday as we debated this bill, we had an agreement to split our time into 10 minutes and 5 minutes for questions. I am wondering if we could have the consent of the two opposition parties to maintain the same agreement for today.

• (1550)

[*Translation*]

Mr. Gauthier: No problem, Madam Speaker. For today, we agree to maintain the arrangement of 10 minutes for speeches and 5 minutes for questions.

[*English*]

Ms. Mitchell: Madam Speaker, no, we do not have agreement on this side. Our members would like to have the full time.

Mrs. Louise Feltham (Wild Rose): Madam Speaker, I appreciate the opportunity to take part in this debate and to speak in support of this important and timely bill.

In my remarks this afternoon I want to direct the attention of the House to an examination of the package of measures in Bill C-28 as a whole. Indeed, I would like to look at the bill in the context of our budgetary and economic policy as a whole. In that context, I want to affirm that the policy set out in this bill is a reasonable one, a fair one and, not least, a necessary one.

When I say the measures in this bill are reasonable, I mean they are appropriate to the economic circumstances we are in. We are in a serious situation, particularly with respect to the growing public debt, and the measures that address the problem. To demonstrate what I mean, let us examine just two of them: first, the surtaxes. I believe it is reasonable to expect all taxpayers to bear some of the burden of deficit reduction, since the deficit is a problem that affects everyone. That is why we have proposed to increase the federal surtax by 2 percentage points, from 3 per cent to 5 per cent, effective July 1, 1989.

The new high income surtax of 3 per cent will be levied on people with incomes over $70,000. In addition to the general surtax this will ensure that the burden of deficit reduction falls most heavily on those who are best able to carry it.

Second, the large corporations tax. I believe it is reasonable to expect all large corporations in Canada to pay a fair share of federal tax and thus help contribute to the deficit reduction effort. This new tax will only apply on capital in excess of $10 million and thus smaller businesses are not subject to this tax. The budget papers show that about 3,600 large corporations, accounting for approximately three-quarters of the total corporate capital employed in Canada, will be subject to this tax.

I am satisfied that when this bill is examined in committee, the members of the committee will find that the policy it implements is a reasonable one like the two specific provisions I have just noted.

My second concern and a constant concern of the government is with fairness. We want to ensure that the impact of our policies will place the greater burden on those who are better able to carry it, and we want to ensure that everyone who is able is helping solve our common problems. A number of the measures in this bill contribute to the fairness of the package. The two measures I have just mentioned, for example, ensure that those with higher incomes do contribute a fair share.

Other measures demonstrate the government's commitment to targeting assistance to those who need it most. To increase the fairness of the system we are targeting more assistance to lower-income Canadians by doubling the refundable sales tax credits for adults and children and by raising the income threshold so more people will qualify for the full credit. For those who receive the full credit, these measures will more than compensate for the federal sales tax increases that were announced in the April budget.

A second example of a measure designed to increase the fairness of the income tax system is our proposal to ensure that Canadians with incomes over $50,000 a year repay the benefits received under the family allowance and the old age security programs. The proposal respects the principle of universality in social programs, which this government fully accepts, by ensuring that all eligible persons continue to receive these payments.

The programs remain untouched because the amount of repayment does not depend on the status of the individual but on his or her income and is administered through the personal income tax system. Of course these benefits are already subject to personal income tax and, therefore, are already being partially repaid at progressive rates by all taxpayers. Lower and middle income Canadians who receive these benefits will not be affected by this measure, and those whose incomes drop below the threshold will continue to enjoy full benefits. The $50,000 threshold is indexed on the same basis as other indexed brackets and thresholds in the tax system. As well, the level of the threshold will be reviewed periodically and adjusted as appropriate.

Other measures also improve the fairness of the system. I want to draw attention to the new deductions in respect of part-time attendant care for the working disabled and to the new drought relief tax deferral for cattle farmers who have had to reduce the size of their breeding herds because of the drought. These provisions are designed to assist those with special needs and will continue to enhance the over-all fairness of the tax system.

To have a fair tax system we must have a fair tax base. Therefore a number of measures are included in this bill to make the tax base more equitable. An example is our proposal to tax accrued investment income on an annual basis. This will help ensure that those who invest in contracts and pay income annually and those who choose to invest in compound instruments will be taxed on a comparable basis.

• (1600)

Measures relating to the taxation of leasing profits will ensure that the leasing industry bears its fair share of tax and will help curtail the use of leasing as an after tax financing mechanism. At the same time we were careful to ensure that these proposals will not interfere with the legitimate use of leasing.

Finally, I want to draw attention to a third characteristic of the measures in this bill. I believe they are reasonable and they make the system more fair. They are also necessary. They accept the reality of constraints imposed by a growing public debt and demonstrate that this government is acting effectively to face the many challenges that we face as a result. The debt is large, and is growing as we speak. By this time tomorrow the debt

will be larger by more than $80 million. Two weeks from now it will have grown by another $1 billion.

The main reason for this dramatic rate of growth is that the interest payments on the debt are increasing rapidly. Only 20 years ago, just 12 cents of every dollar taxpayers sent to Ottawa went to interest payments. By 1984, that figure had already grown to 32 cents, and this year it is over 35 cents.

The debt is a major obstacle to building the kind of future we want for ourselves and for our children. But this does not have to happen. This does not have to be the legacy by which future generations of Canadians remember us. We can and we must stop borrowing from our children and their futures. We must all realize that it is too easy to borrow from future generations. They cannot speak in this debate. They are not here to vote on this legislation. But they are the ones who would face the consequences if we did not act. So we, in this House—all of its members—must speak for them. We must act on their behalf by taking the necessary actions now to reduce the deficit and control the growth of the debt. We must start paying our own way.

This is exactly what our government has been trying to do from the first day that we took office. From day one we recognized how serious the debt problem really was and we have been acting responsibly to bring it under control.

In this budget, which this bill will help implement, the Minister of Finance proved he is not complacent. He introduced a careful balance of expenditure and revenue measures to deal with the debt. These debt control measures will cut more than $5 billion from the projected deficit this year and $9 billion next year. The budget measures will cut the annual deficit in half, to $15 billion by the year 1993–94. These are reasonable measures. They are fair measures and they are necessary measures which recognize that deficit reduction has a greater purpose. It provides more flexibility for the government to ensure that the programs Canadians value can be maintained; it means that Canadians have greater confidence in their economy and their future; it holds out on the promise of sustained economic growth, improved competitiveness and the creation of productive jobs; and it is an essential pre-condition for an increasing prosperous and compassionate Canada.

In summary, Madam Speaker, I believe the measures in Bill C-28 are an integral part of the reasonable, fair and necessary economic policy set out by this government at the beginning of its term in office which we have followed consistently since that time.

Mr. Butland: Madam Speaker, I think rubbish and nonsense are euphemisms for pure unadulterated garbage. The member did not mention the word clawback. I believe it was invented by the Conservative government and it is a very appropriate term. She should have noted that $50,000 now will certainly not be $50,000 in five years, ten years and 20 years. Does the hon. member agree with the finance committee chairman's statement that this is a pernicious, sneaky attack on universality? It is the end of universality as we know it. Does she not accept the fact that it will affect several thousand seniors now but as many as one million in 20 years from now? Does she not agree that this is effectively the end of universality as we know it?

Mrs. Feltham: Madam Speaker, maybe the gentleman does know what rubbish is all about, but when I speak I am sincere in saying that what this government is doing is necessary to protect our seniors now and in the future. Universality is not being threatened.

As I stated in my speech, old age security payments are in place. They will stay in place when seniors receive their cheque every month. They can spend that. There is no limit as far as whether they have to return so much on a certain month. We will be dealing with this in the income tax legislation, as we have done with all other issues, to ensure that seniors in the future do receive what is necessary for a good living.

Mr. Milliken: Madam Speaker, the speech just given by the hon. member for Wild Rose was absolutely incredible. In the course of her statement she indicated that this government had concentrated its efforts on deficit reduction.

Would she not agree with me that this government is obviously a colossal flop when it comes to deficit reduction? The Minister of Finance in his first budget in 1984 indicated that the deficit this financial year would be $16 billion dollars and it is $30 billion. Also he indicated that he was going to reduce the deficit and, in fact, the national debt has doubled in four years of economic mismanagement by this government. She has the gall to

stand on her feet and suggest that this government's policy has been deficit reduction from day one.

Would the hon. member not agree with me that if that has been the policy that it has been a total and complete flop?

Mrs. Feltham: Madam Speaker, no, I will not agree with the hon. member that what the government has done is a total flop. I would assume that if you understand anything about finances, and being one of the members of the Liberal Party, you must realize the legacy you left to us. The interest that we pay each year on the debt, with the additional amount every year and compiling that amount, makes the debt that we have today an inheritance from your government.

• (1610)

Mr. Mayer: Just a comment, Madam Speaker. The hon. member for Kingston and the Islands gets up and talks about what has gone on. Some of us were in this place when the hon. member's party was the government. We had interest rates of 22 per cent, 23 per cent, 25 per cent. We had an inflation rate at 11 per cent and 12 per cent.

If the member wants to talk about seniors, one of the most pernicious things that any senior citizen has to deal with is inflation. If we are talking about managing the economy, surely to goodness in terms of dealing with the seniors, which is one of the things he talked about, one of the things that we can do for seniors is to provide a stable economic environment so that when they get into their retirement years, some of that stability is there in the form of stable interest rates and reasonable inflation rates.

Mr. Harvey (Edmonton East): Madam Speaker, I must admit I am fascinated by the hon. minister's argument that it is okay to poke a person in the right eye now, because someone used to poke him in the left eye.

I must thank the hon. member for her vigorous and stimulating defence of the government's policy in this regard.

I must confess, however, that when listening I was reminded of the words of Humpty Dumpty in Lewis Carroll's *Alice in Wonderland* who said at one point—I believe I can recall this—"When I use a word, it means precisely what I intend it to mean, neither more nor less". I was reminded of this in the member's use of the term "universality".

I would like to ask the member if her understanding of universality is the same as mine, which is to say that a universal program is a program that is available, without any hindrance, to all Canadians. Or in her use of the term, does it mean that it is in some way means-tested, as will be the case with the old age security program and the family allowance program, given the passage of this bill?

Mrs. Feltham: Madam Speaker, I think I have already answered that question. I stated earlier that all eligible seniors will receive the old age pension. Old age security is not something that will be determined to any one person by the amount of money he or she has at this time. Seniors will receive a cheque every month. The old age security cheque will not be discontinued because someone has an excess amount of money. People will receive those cheques.

The income tax department will look at the amount of money that a person has. If he or she can be taxed on an amount over $50,000, then, on a percentage basis, some of that money will be returned to the government.

I must also answer to the questioner, that when talking to the seniors in my riding, they are in agreement that the future generation and young people now need some of that money and they are very glad to share it with them.

Mr. George S. Rideout (Moncton): Madam Speaker, it is a pleasure to rise and speak on this particular bill and to talk about the ramifications of this legislation. As one looks through and sees the size of this bill, one realizes right away that it is a far-reaching bill which deals with all sorts of things: income tax, federal-provincial fiscal arrangements, post-secondary education, old age security, and so on.

I think it reaches furthest into the pocketbooks of Canadians. It reaches furthest into the pocketbooks of the elderly and the young, the unemployed, the sick, and the students of this country. I feel badly about it too. I really do. I think it is a shock and a shame that this government would foist this type of legislation upon Canadians.

The clawback in particular is a breach of the Prime Minister's so-called sacred trust, a thing that would never happen. But the clawback is happening and is being implemented in this legislation. It is a shame because it is a direct attack on the elderly of Canada. They are the people who paid their way and supported this country and this government, and now they are repaid with a clawback.

The principle of universality has been destroyed by this legislation. It is shocking to say the least. If I can quote the Canadian Council on Social Development which said, back in April of this year, that by taking back the entire family allowance from 368,000 families and all of the old age security from 54,000 seniors and reducing these benefits for many more, the government is eroding the fundamental principle of universality which recognizes our collective responsibility for caring for children and for the elderly.

That is a shocking indictment of this government and what it has done. The clawback of family allowance will take up $1.68 billion from family budgets over the next five years, roughly $500 million a year by the year 1991. Those are families, in most cases, which cannot afford this loss and this reduction. Of course, the government will tell us that it will give it back, that it will have all of these fancy programs and ways to restore some of the money, but I say to you that it should not be taken in the first place. It should not have to be put back.

Some things are sacred. Some things ought not to be touched. Obviously we have to maintain that principle of universality. The party that I have the pleasure of working with and the riding that I have the pleasure of representing firmly believes that we should maintain the principle of universality.

I am also concerned about the effects of this legislation on higher education. Again, the Canadian Association of University Teachers said:

> Higher education is, in fact, an investment as much as an expenditure. The Finance Minister talked in his budget about the effect on future generations. The effect of failing to compete with the Americans, the Japanese and many European countries in educational investment will be to ensure a future for our youth as hamburger flippers rather than as meaningful participants in the technological era that is upon us.

What is the effect of this legislation and the effect of stopping the movement of funds to higher education to the universities in our community? I happen to have one and my hon. friend from Beausejour has another. I can tell you from talking to the presidents of those universities that they have had to cut back on programs and cut back on some of the education that their students are receiving. It is in large measure because this government is not fulfilling its obligation to higher education.

I also want to talk about the UI cuts in Bill C-21, and the effects of those cuts which are covered here in this legislation. Moncton was lucky, quite frankly, and had the legislative committee in that riding. We heard from a number of people who had concerns, but the impression that one is left with is that the committee wasted its time, that nothing really had any impact on what the government intended to do.

There is no guarantee that the UI program which has set up a training budget will see training done in New Brunswick. There is no guarantee that there will be any jobs once people are retrained. The government is taking money out of the pockets of New Brunswickers, and the unemployed who have contributed their funds to the unemployment insurance fund will end up in Ontario in Quebec and out west where the high-tech industries are looking for retraining in doing jobs. The effect of this legislation is to take money out of Atlantic Canada, out of New Brunswick, and put it where it is really not needed for retraining people, where there is an abundance of jobs and work.

Mr. Robichaud: It is a resettlement program.

Mr. Rideout: It will force the people of Atlantic Canada and New Brunswick to move and to live in such places as Toronto, heaven forbid. This government hammers away at the people of Atlantic Canada. I think it is absolutely essential that there be an amendment to this legislation which would see the money that is taken from the workers of New Brunswick stays in New Brunswick for retraining and that there is new job creation and new opportunities for which these people can be retrained.

• (1620)

It was interesting that cabinet ministers from the New Brunswick government were not allowed to speak or to give their views at the hearings because somebody suggested that they may be grandstanding. The Hon. Russ King, Minister of Advanced Education in New Brunswick, spoke of the problem of illiteracy in New Brunswick and that because of the changes in the UI, people would have to give it up if they wanted to get training to improve themselves. They are in a Catch-22 situation because if they are illiterate, want to improve themselves and try to do something in a particular area it is going to cost them their UI. That will cost them the

opportunity to be retrained, which is the focus of this legislation.

Needless to say, the changes in qualification times have very serious adverse effects on an area like New Brunswick. I know from discussions with my colleague from Beausejour that the seasonal workers in his riding, as well as in my own, are being very adversely affected by the UI changes.

What we have to look at in all of this is the ripple effect that this type of legislation has, with all the changes that have been put upon the people in the regions. There is less money for seniors. There is downgrading of education and health facilities in Atlantic Canada; changes to UI in effect hitting the people who can least afford it; losses of VIA Rail jobs and losses of VIA Rail passenger service in Atlantic Canada.

In my own riding the closure of the CNR shops is putting 1,200 people out of work. Now we have the allusion from a recent transport committee meeting that perhaps the Atlantic region is going to be closed and another 2,500 jobs will be lost to the Moncton riding. All of these things spill over the whole economy and have an adverse affect on the citizens of that economy.

This is bad legislation. It is hardship legislation. It is legislation that is going to be felt by Atlantic Canadians for a long time.

I think it is particularly interesting to look at the social benefits that this type of legislation is adversely affecting, particularly with the clawback. We look at the Prime Minister's campaign promise, and appropriately it was in Summerside, P.E.I. where they are really thrilled about the promises from the Prime Minister. He said: "As long as I am Prime Minister of Canada social benefits, especially those for the elderly, will be improved not diminished by our government."

What a commitment, and here is the proof of the commitment. You can see that the commitment was nothing but hollow and really negative as far as a commitment to seniors in Atlantic Canada and in my riding is concerned.

In conclusion, the clawback is adverse, and the whole approach of this government as far as privatization is concerned, closing the bases, closing VIA Rail passenger service, all points to one thing. This government suffers from a rare disease called "deficititis". It is fighting the deficit on the backs of those who can least afford it, our seniors, the people who depend on a national rail service, the people in communities with military bases, and the people particularly in the regions who depend on a national, equitable UI system. This bill should be withdrawn.

Mr. Crosby: Madam Speaker, as this debate on Bill C–28 continues and we hear from members of the opposition, I always feel the compulsion to rise in the House of Commons to put the facts on record in case anybody is actually listening to the ramblings of the hon. members opposite, particularly with respect to the change in the old age assistance taxation. They speak of the elderly, those who are in dire straits and need help, but what they never mention is the exact method of taxation, the fact that only those who receive old age assistance and whose incomes exceed $77,000 a year will be asked to pay back that part of the old age assistance which is not already taxed. In the case of an individual making over $77,000, I think it probably amounts to $1,500 or less which he or she is being asked to contribute.

Apparently, the hon. members want those people to keep that money, possibly at the expense of other Canadians who are really in dire need and need maintenance programs, special help and assistance, which this government is providing. They say in defence of their position, that we are breaching the golden rule of universality. I have said here, and I will say it again: you cannot eat universality, you cannot wear it, you cannot put it in the bank, you cannot improve your lifestyle with the concept of universality. Many think it is a sacred cow rather than a sacred trust.

The government has taken those steps to insure that Canada remains solvent, to insure that Canada, as a nation, is able to provide benefits to those in need. Yes, at the expense of those not in need. Yes, at the expense of people with incomes of $77,000 and more.

Does the hon. member disagree with the policy that takes money from people with incomes of $77,000 and gives it to those with no income or little income, who are really in need? Is he against that policy?

An Hon. Member: Hear, hear!

Mr. Rideout: Madam Speaker, in a nutshell I disagree with any program and any piece of legislation that has the effect of taking money out of Atlantic Canada and putting it someplace where it is not needed. That is what my hon. friend is suggesting that we should do.

Sure he suggests that we should cut VIA so there are no passenger rail services in Atlantic Canada. He suggests that we should take all of the training money like UI and send it to Toronto—to Ontario—and to Montreal where it is not needed. That is what I am opposed to, and I will continue to fight that type of legislation. I am surprised that my hon. friend could support such terrible legislation for Atlantic Canadians.

Mr. Nunziata: Madam Speaker, the member opposite says that rich Canadians should not receive government benefits, that universality should not be directed toward rich Canadians. Well, his Prime Minister is a rich Canadian. In fact, he earns over $100,000 a year perhaps $140,000 a year. He is at the public trough. He has four children.

I would like to ask the hon. member, through my colleague, whether he believes that the Prime Minister of Canada is paying back, for example, the family allowance that he is receiving for his four children? He is a wealthy Canadian.

The bottom line is that senior citizens have a legal right to the old age security, and this government does not have the legal right or the moral right to take back what these people are entitled to, especially when the Prime Minister across the way is whistling and blowing at the same time. If he really believes that rich Canadians should not be receiving government benefits, why doesn't he give back to the people of Canada the family allowance that he receives every month?

Mr. Bob Speller (Haldimand—Norfolk): Madam Speaker, it is a pleasure for me to rise in this House today representing the views and concerns of the people of Haldimand—Norfolk and to discuss Bill C-28.

I had the pleasure last week of talking to some senior citizens about this bill. I know the bill deals with a lot of different issues, but I want to centre on that one issue. The bill makes 59 different amendments to the Income Tax Act, and I cannot deal with them all. So I want to relate to you some of the experiences I had talking with senior citizens about what they felt about the whole clawback.

This government calls this bill tax reform. But I say it is nothing but a sham. It is a disguised way of increasing taxes and it is a way of increasing taxes on senior citizens, on those who least can afford it.

We hear the gibberish across the way, by the Conservatives, who keep talking about budget deficits and cutting back on the budget deficit and bringing down taxes. That is what they said prior to the election. They said our taxes would go down. Unfortunately, what they did not say was that the Conservative government, since 1984, has increased taxes some 31 times. I do not think that most Canadians, especially the senior citizens I talked to this week, feel badly about paying their fair share. Unfortunately, what we are seeing is a government that consistently attacks the same people, those who are least able to attack back.

• (1630)

I want to first look at the budget and at Bill C-28. I want to talk about what the finance minister has been saying about budgets. The finance minister indicated that this cut-back will affect only seniors with an annual income of $50,000 or more. Today, it may be $50,000 but what about tomorrow, what about next year?

We have already seen examples of the government making commitments and then breaking its promises. It could be $40,000. It could be $30,000. There is no commitment yet by this government to say specifically that it will keep the clawback at $50,000.

The government says that this program will still have universality. What the government is not admitting is that along with the pension cheque or the family allowance cheque, it is also sending out tax invoices. It is also taxing these people back. Granted, these people will still receive benefits and it is universality in that sense, but the government is taking it back underhandedly in other ways. I think that is wrong. Senior citizens, quite frankly,

recognize that fact and are not prepared to put up with it. It is not universality.

Seniors can hardly believe that this is taking place because of what the Prime Minister has said in the past. He said: "As long as I am Prime Minister, social programs, especially those for the elderly, will be improved, not diminished". I had a hard time explaining what he meant by that on behalf of the Prime Minister when I spoke with seniors in my riding. They could not understand how a Prime Minister who made that promise could then bring in legislation like Bill C–28 which directly takes away their income.

What these cuts mean is that some people at 75 years of age will pay a higher tax on their income than a 35 year old person with the same income. That is not right. Seniors want to know why that is the case. Using the finance minister's own formula, a 45 year old couple who now earns $28,000 a year will have to pay tax on their old age pensions when they retire. The people recognize that.

A 55 year old Canadian who is today earning $25,000 will have his old age pension completely taxed back at the age of 80. In 20 years, over two million Canadian seniors will have to pay tax on their old age pensions.

The President of the National Senior Citizens and Pensioners Association, an organization of seniors groups which represents half a million Canadian seniors, stated recently that seniors have been betrayed and misled by this government. That same point of view was echoed by many seniors in my riding. The president said that he views this proposal as a serious breach of faith by our government and an insidious effort to undercut the social security programs that on numerous times have been stated a sacred trust.

The coalition of Quebec seniors said that the pension clawback is discriminatory on the basis of age, unfair and contrary to the Charter of Rights and that it creates a steeper tax rate for seniors than for others at similar levels. Seniors who, with great difficulty have succeeded over the years in saving for their retirement, are being penalized.

That same feeling was echoed by many seniors in my riding. This government seems to be saying that Canadians should not count on the sacred social contract, that the sacred contract is no longer there. Do not count on having a family allowance, do not count on having a pension when one reaches retirement.

Many seniors in my riding kept asking, "Didn't we pay into this? Didn't we throughout our lives pay into this? Why do we now not have the ability to get it back?" They cannot understand. They keep hoping that there must be some legal technicality that can help them out of this situation. They said that they fairly, and with the understanding they would get something back, paid into this, but now they are not receiving anything back. They want to know from this government why. Quite frankly, I agree with them. I do not know why. I ask the government, why is it now that it is taking away the pensions of our seniors?

I feel it is important that everyone pay his fair share of taxes. However, it should not be just the large corporations, richer Canadians, who are able to sneak around the tax system. Seniors asked me this past week why it is that large corporations over the years, especially in the last five years, have been able to evade taxes and why it is that they are being singled out as the ones who have to pay.

This proposal means that a senior with an income of $70,000 per year will be taxed differently than someone younger. That is not fair. Seniors want an answer from this government as to why that is. To date in this debate, I do not think we have heard anything from this government.

In conclusion, I want to point out the views of the seniors in my riding to whom I spoke in Simcoe this past week, seniors who say that over the years, they have fought for Canada in different wars, they have paid their taxes fair and square. They decided that they would go into this program and in fact they paid into this program, and they want their money out of the program now. They call upon this government to take a few moments and explain to them why it is that they are now the ones who are being pressured to bring down this government's debt which it has doubled since 1984.

Mr. Crosby: Madam Speaker, again I feel compelled to respond by way of a comment on Bill C–28. As you know, Act of Canada, but opposition members seem to focus in on the clause which enacts the new Section 180.2 with respect to old age assistance. Again, for reasons I have

already explained, I think facts should be put on the record.

Let me start this time, for the benefit of hon. members, with this fact. There are three million recipients of old age assistance in Canada. Of those three million recipients, 2,633,000 or 87.8 per cent will pay no tax at all under this new provision. Another almost 200,000 more will pay no tax. When we come to tax, 32,000 recipients will have their old age assistance, the amount of money given to them by the Government of Canada from the national treasury taxed back under this provision. Those 32,000 people have incomes in excess of $100,000. The government is asking people with incomes in excess of $100,000, 32,000 of them, to pay back their old age assistance payments which came from the treasury of the Government of Canada and from the taxpayers of Canada.

That is not even all that bad because it is already taxed back in the normal course a great proportion of the amount they received as part of the normal taxation system. I say to the hon. member, I do not see what the problem is. Does the hon. member believe that those 32,000 people earning over $100,000 a year should keep that money at the expense of other Canadians who need help from the Government of Canada? Is that what he thinks?

• (1640)

Mr. Speller: Madam Speaker, that is a ridiculous argument. I challenge the member to go back to his own riding, speak to the senior citizens, and ask them what they feel. Ask them if they feel that it is fair that this government takes away a program that was a sacred trust, that this Prime Minister had told them was a sacred trust. I challenge him to go back to the senior citizens in his riding and ask them. Have you been there? Have you asked them? Have you seen them? Have you talked to them? Have you asked them how they feel?

Mr. Crosby: You show me a $100,000 income earner and I will talk to him.

Mr. Speller: Madam Speaker, that is ridiculous. I spoke with the seniors in my riding. They want to hear why this government broke its promise. This government promised them that these programs would be sacred but instead took them away from them. They want to know why this government continues to make promises that are broken.

Mr. Parent: Madam Speaker, I did listen to the entire speech made by my hon. colleague. Unless I missed it, I might put this question about this despicable move that the government is making to take money back from the old age pensioners. Is it the hon. member's understanding that this $60,000, $50,000 or $70,000 is going to remain static or is this amount going to be increased every year as the inflationary rate diminishes the real value of the dollar? What I am asking is if indeed this amount which is today set at $50,000 will be worth $42,000 or $30,000 in the years to come? I wonder if the hon. member could address that question.

Mr. Speller: Madam Speaker, I thank the hon. member for his question. He is absolutely right. I thank him for his insight. In fact, this government has made no commitment whatsoever to keep it the same. In fact, over the next few years, that figure, because of inflation, will drop and so you are absolutely right.

These people who will be earning $35,000 during the next few years will have it taxed back. Seniors recognize this. Seniors come to me and I am sure they come to the hon. member and ask why the government is not promising something. They do not believe its promises anyway but they say there must be something to this. If the government is not making a correction here, then we have something to worry about in the years to come.

Mr. David Walker (Winnipeg North Centre): Madam Speaker, it is not with a great deal of pleasure that I feel compelled to stand up and speak in this debate. The actions of the government deserve to be rejected by all Canadians as the changes in Bill C–28, in fact, damage one of the most important constituents we have in this country.

In beginning my own contribution to this debate, I was thinking about how the government finds itself in the position where all of a sudden it has to turn on senior citizens in order to increase its revenue base. The government in 1984 was full of promise, full of national debate, full of lots of vigour towards changing the Canadian way. How did it change the Canadian way?

First of all, the Conservatives turned to all their friends at high income levels and said, "We are going to give you a tax cut. We are going to reduce the amount of

money you have to pay in taxes. We are going to allow you capital gains tax free."

Then they went to the corporate world and said, "Don't worry, we are going to reduce your taxes." All of a sudden, a recently created deficit of about $100 billion suddenly blossomed until right now we face the awful spectre of a $350 billion accumulated deficit within the next two to three years.

They then realized that they had a choice. They could go back to their friends and companions and say, "We have made a mistake. We have to start taxing capital gains. We have to start taxing corporations like we do individual families. We have to go back to high income earners. We have to take money back from you." No, they are traumatized by going back to tax these people. Or else they could go back into their revenue base and somehow or another pull back on expenditures. Every minister sits around the table and says, "Not me, not me" except, of course, for the Minister of Transport. He is very easy that way. He will let you take away VIA Rail. All the other ministers are protecting their own bailiwicks.

So we have a government which is both bankrupt in money and in ideas. Its solution is to increase taxation on seniors. People on the other side of the House refuse to look at it in that simple way. They are increasing the rate of taxation among seniors in this country.

People again say, "Well, listen, why not tax the people who are making all this money?" First of all, you have to remember that the support one Liberal government after another built up for universal programs in this country was based on that very premise, that they were universal. It means you had access to these programs no matter what your income level. It means that the average middle-class family, making somewhere between $40,000 and $100,000 a year, with two people working, feels secure, whether we are talking about medicare or about looking forward to their pensions. They felt that they were going to be looked after. One of the ways of keeping a generous coalition going in a country such as Canada is by making sure that the middle class feels they have a stake in the system.

This government, in its own cruel and miserable way, is taking away the middle class. It is going to make the middle class feel insecure. It is going to make the middle class feel as if it is not going to have a stake in the system.

When you do not have a stake in the system, what happens? You begin to pull away your own support. When you do not get a service from the government, why do you pay taxes? One of the great issues in local politics in this country is the issue of policing, and one of the most difficult things to do is to make sure the middle class feels well policed so that the police can then turn around and use resources in poor areas.

It is the same thing with pensions. Why should a person paying a lot of taxes who is not getting a benefit from the pension system support somebody with less income? The answer is that they will not do it. This government understands it the same way that Margaret Thatcher understood it in England. You pull away the middle class, you privatize it, you make it feel like it can look after itself and you dismiss the poor with the back of your hand. We are going through the same process right now.

This bill has to be fought and opposed because it poses a threat, not only to working poor in this country, but to the middle class. If we want to continue as a country with national programs, we need people who pay taxes. We all know as politicians that people are upset with the high tax rate. We have to give those people an opportunity to see and to understand that the system is working for them.

We in the Manitoba caucus, the hon. members for Winnipeg North, St. Boniface, Winnipeg South Centre and Winnipeg—St. James, had a one-day seminar on pension reform last June. We were surprised by the number of groups which stepped forward to outline the problems of the pension system in Canada. It is not only a question of the clawback but also several other problems that have to be reformed.

In my own constituency, and I do not have to tell members who have been in the House for a long time that the former member for Winnipeg North Centre built a reputation for fighting for the poor of our constituency. Through one speech after another, he made the pensioners in Canada realize that the Government of Canada had to make a commitment to them and had to live up to that commitment. Since then, people on Selkirk Avenue, Main Street, Portage Avenue and Pritchard Avenue in Winnipeg understand that the role of

the federal government is to protect their pensions and to enhance their lifestyle.

They are now joined in Winnipeg North Centre by a new group of elderly who are not aged 65 but are aged 55. They are middle class families who come in from the suburbs and who need protection and income support. The neighbourhoods in Winnipeg North Centre will be transformed by older people such as these making a commitment to one of the oldest and poorest constituencies in this country. It is one that needs to be regenerated. These people have to work together and they have to feel they have a stake in the system. When you take money away unnecessarily, people lose their reason for supporting the system.

• (1650)

People often make light of the fact that the degeneration of income or the lack of an income base is only affected with the first 3 per cent. One of the demographic changes we have in this country is the number of people who live well past 65. For example, in Winnipeg North Centre, the people who come into the senior citizens' residences are often aged 81. They begin their life as seniors at age 81. They live to their mid-eighties. Let us say they live to the age of 85. Stop and think about it; you have your old age pension for 20 years and for each one of those years the government does not protect 3 per cent of your income. What is the erosion in your buying power for 20 years at 3 per cent per year accumulative? You have to realize that you will take a huge reduction in your living standard.

The minister from Manitoba, the minister responsible for western diversification, stood up earlier to remind the House of high interest rates back in the early eighties and pointed his finger across the floor saying he cannot believe that those on this side of the House were even worried about inflation nowadays, given what we did to the country. I would like to remind that member that the reality of inflation is that it can break out upon us at any time. It is not limited to that government or this government. The people who understand this better than anyone else are the seniors. The ravages of inflation haunt them because their income level is unprotected and that lack of protection is furthered by the government's action. On that particular item, I join my caucus in strongly opposing the government.

On a second issue, the government has again failed in this legislation to address the question of fair taxation in the corporate world. While I do not join my friends in the NDP in ranting and raving against the corporate world, I do think there is a frustration in the middle management in Canada, people working in all-Canadian firms, who cannot see fair taxation in the corporate world. International corporations, because of the financing, marketing and the legal structures, are able to move capital and tax dollars out of Canada. Until this government is willing to bring into the House legislation which addresses this issue of lost income, lost taxation, we will continue to find ourselves in the corner, having insufficient money to help those Canadians who need help the most.

There are two major faults with this piece of legislation; its inability to protect seniors at all income levels and to understand their needs for income protection far into the future, and the refusal of the government to deal with corporations and the extraction of proper corporate taxation rates that will enhance the revenue base of the federal government.

Mr. Ross Harvey (Edmonton East): Madam Speaker, this bill marks one of the most significant changes in social policy in Canada in the last several decades. In sum, it eliminates the universal nature of two important social programs.

In the few minutes that I have today, I would like to focus on several aspects. I would like to focus on the government's recent promises concerning social programs, what the clawback is and how it works, what the government claims about the clawback, how the clawback will attack not just the rich, but ordinary Canadians everywhere in a very short time, and some alternatives the government could have considered.

Let us begin by looking at the government's promises about social programs. Most Canadians remember the Prime Minister's sombre assurance that social programs were a "sacred trust". Others remember this government assuring Canadians that it would improve social programs in general and improve the lot of seniors in particular. Let me remind people of two of these solemn assurances.

One is reported by the *Canadian Press* on March 7, 1984, when the Prime Minister said:

> Our position is simple and straightforward. We are in favour of universality in social programs and it shall not be touched.

Again, on October 15, 1988, speaking to seniors in Summerside, Prince Edward Island, the Prime Minister said:

> Let me say a special word to the senior citizens. In the future Canada will be doing more, not less, for all of you.

He said this. I am not making this up.

> As long as I am Prime Minister of Canada, social benefits, especially those for the elderly, will be improved, not diminished by our government which is committed to social justice and fairness for Canadians.

Especially for the elderly, note.

So what about this bill? We are not talking small potatoes here, much as the government would like you to believe that we are. We are talking about a dramatic shift in the direction of this country. We are talking about ending the universality of social programs in Canada.

And we are talking especially about literally stealing the pension savings of older Canadians. I quote, because he stated it so much better than I could, from a letter by Mr. David Wilson of Winnipeg to that city's *Winnipeg Free Press*. He writes in part:

> The old age security program was initiated in the early 1950s as a contributory program which paid for itself, with each year's payments funded by matching contributions. A special tax was created for this purpose, and each time the pension was raised the tax was raised as well. Up to 1972 this line was included on the income tax form: "Old age security—4 per cent of taxable income—maximum $240." It is also very likely that we continued to pay this tax after 1971, but it was not a separate item on the income tax forms.
>
> The federal government has now ruled that the old age security pension can be taxed away from pensioners who have paid for it.

Not only is this a betrayal of what was previously deemed a sacred trust by this government, it is a theft from the very seniors who paid into the program for so many years.

We will get to the details of how the bill will work in a moment, but given that there is such a shift, such a substantial change in policy, would you not expect an honest government, a government that is straightforward with its people, to have a national discussion about this? Then, after, the pros and cons have been discussed, announce to the people of Canada what steps it plans to take? But no, this government's long suit is neither honesty nor openness. The announcement of this shift was made among an avalanche of bad news announcements in the budget, and there had been no substantial public consultation beforehand. Indeed, the Tory chairman of the finance committee admits this, even if the PM won't.

In a wonderfully candid moment, the chairman wrote to a resident of Edmonton. In his letter to Mr. William Daly, a 61-year old resident of Edmonton he said:

> We have decided to eliminate universality and we do that in a sense by the clawback in both family allowance and the old age pension.

How admirably honest. Even if the government is not, obviously members of it are. He continues:

> As you know, it has been a Conservative philosophy for some time that distributions from the state ought to go essentially to those in need. While the clawback may be unfair and sneaky, it is there.

An admirable honesty, wholly uncharacteristic of his benchmates.

As we had graphically demonstrated for us earlier this afternoon, the term "universality" is sometimes misunderstood. Perhaps it might be helpful to describe what is generally meant when we say a program is universal. Simply put, a universal program is one that delivers benefits to all Canadians, regardless of income. Why do this? Why not discriminate on the basis of income? The reasons change as one moves from program to program, but for the family allowance those reasons are principally two.

First, universality is the recognition by the Canadian people through their government of the contribution that parents at all income levels make to raising Canada's future citizens. Second, it also recognizes in some small way that extra expenses are incurred by parents for raising children that childless couples and single people do not have.

As for the universality of the old age security program, that recognizes the contribution that all elderly Canadians, whatever their financial circumstances, have made to our society.

Now, it is true that although these two programs currently deliver the same monthly cheque to all their recipients, family allowance and OAS do not now provide the same benefit to all beneficiaries. This is because the benefits from both those programs are counted as taxable income. As a result many families and pensioners pay federal and provincial income tax on those benefits and, consequently, benefits after taxes of these programs are highest for lower income beneficiaries and lowest for

higher income beneficiaries. Every recipient now gets some meaningful benefit.

• (1700)

In fact tax filers in the top income bracket still end up with a substantial 55 per cent of the benefits, a situation due mainly to the grotesque distortions introduced into the income tax system by successive Liberal and Conservative governments.

However, under the new scheme above a certain income level higher income families and pensioners will have to pay back 100 per cent—the entire shot—of the benefits they received over the course of the previous year. The government has taken great pains to suggest that this is no big deal, that it will not affect many people at all.

We have heard that in the questions and comments following the remarks of previous speakers. And, according to the Budget Papers, on page 9, the clawback of family allowance and old age security payments will have a minimal effect on individual Canadians and families.

The finance minister claims, for example, that only 4.3 per cent of seniors will be paying back any part or all of their pensions, with 54,000 individuals paying back all of their OAS and 74,000 paying back a part of it. On family allowances he claims that only 14 per cent of families will be affected, with 368,000 paying back all of their family allowance and 167,000 paying back a part of it. Thanks to normal inflation, these numbers in both cases will go up rapidly year by year so that more and more retirees will end up repaying their pensions and more and more families will repay all their family allowance.

The way the system works is that the income level at which the clawback starts will move upwards according to the same deindexing formula that exists in the tax system; in other words inflation minus 3 per cent and that is the key, Mr. Speaker. This means that if you assume an inflation rate of 4.5 per cent the income limit will move up by only 1.5 per cent in that year, 4.5 per cent minus 3 per cent. That is not indexing, and that means that inflation will erode the clawback floor.

A worker earning $40,000 a year and watching his or her income rise with inflation would be earning enough to put his or her income over the clawback level for family allowances by 1997. For retirees, the clawback is more complex and phases in more slowly, but a simple rule of thumb is that a worker earning $28,000, that is roughly the average industrial wage, will be hit by the clawback by the time he or she retires.

This assumes that income keeps pace with inflation and that retirement income is 70 per cent of pre-retirement income. Once again the government accomplished this by not fully indexing the trigger figure of $50,000. Over time, through inflation, more and more of us will be caught.

Here are some other examples. A 30 year old making $30,000 will have part of her OAS pension clawed back when she retires at 65. The same is true for 35 year olds making $35,000, 40 year olds making $40,000, and 45 year olds making $45,000 a year. All told the clawback will catch about 128,000 Canadian pensioners in 1990. In 20 years that will rise to over one million Canadian pensioners.

In regard to family allowance a similar pattern applies. Assume that you are presently 23 years old and that you are making just over $25,000 a year. If you have children in five years and you never make more than that income, adjusted for inflation you will be losing part of the family allowance payment by the time your child is 18.

In 1990 roughly 14 per cent of families will have their family allowance subjected to the clawback. In 10 years that will rise to nearly 30 per cent. The proportion of families affected by the clawback will more than double within 10 years.

These examples are based on very conservative estimates of income growth and, no doubt, understate the case, I should point out.

The point is that the clawback does not maintain the principle of universality as Mulroney and Wilson contend. It marks the steady erosion of our social programs down to a much lower common denominator. Henceforth all social programs will be for the poor only. They will be targeted to those in need or deemed to be in need and thereby made selective, not universal. The clawback will move our pension system closer to that of the U.S. There, workers are covered by contributory pensions like

our CPP or by means tested programs like our GSI, but not by a universal pension program like our OAS. No pension exists in the U.S. as a right of citizenship for those over 65.

This point is central: it has been Michael Wilson's mission as finance minister to shatter the universality barrier. Once that principle is gone, then it is a very simple matter to refine the clawback even further and make the program more and more selective by taxing back higher and higher levels of benefits.

The National Council on Welfare issued an excellent report in September 1989 entitled *The 1989 Budget and Social Policy*. It highlights some of the very damaging effects that this policy will have.

I have mentioned a few. I would like to refer to its report in a little more detail to outline a few more. First, the clawback will erode the principle of horizontal equity. One of the reasons for paying child benefits to all families including the better-off is to recognize their additional financial burden in raising children as compared with childless couples and single persons at the same level of income.

This is known as the principle of horizontal equity. After the clawback the only benefit available to all higher income parents will be the $66 per child non-refundable child tax credit. Clearly removing family allowances from better-off families will put them at a greater disadvantage *vis-à-vis* childless couples and singles who have the same income but no child rearing expenses.

Second, the clawback will discriminate against one-earner families. A one-earner family with an income of $56,000 and two children will have to return 100 per cent of its family allowance benefits to the federal government once the clawback is fully phased in, in 1991. However a two-earner couple with two children in which one spouse earns $45,000 and the other spouse $35,000, for a joint income of $80,000, will not have to pay the clawback because the higher income parents' net income is under the $50,000. Instead, the family will be subject only to the normal rate of taxation on its family allowances returning about 45 per cent of its benefits to the federal and provincial governments. The clawback is both unjust and illogical. The one-earner couple at $56,000 will pay back all of its family allowance. The two-earnercouple earning $80,000, $24,000 more, gets to keep over half of its family allowance.

Third, the clawback will add to the complexity of the child benefits system. Over the past four years the Minister of Finance has further complicated an already complex child benefit system. In brief, the non-refundable child tax credit which replaced the children's tax exemption in 1988 is $66 for each of the first two children and $132 for the third and subsequent children. Families with incomes under $16,000 now receive their refundable child tax credit in two instalments while other families continue to get it only once a year. Children under age seven qualify for a $200 supplement to the refundable child tax credit in 1989 so there are now two rates. It is $565 for children over seven and $765 for those under seven. Parents with receipted child care expenses can claim a maximum $4,000 child deduction for each child under seven, but only up to $2,000 for children aged seven through fourteen.

Last, family allowances and both the refundable and non-refundable child tax credits are now indexed only by the amount of inflation over 3 per cent a year. Confused? The Lord knows I am, and I assume many of the parents of this country are.

Fourth, before the clawback there were two types of families receiving family allowances. Families too poor to owe income tax kept all of their family allowances while those which pay tax kept part of their family allowances and returned the rest to federal and provincial governments in the form of income taxes paid on their benefits.

After the clawback there will be four types of families receiving the family allowance. There will be families which keep all their family allowances because they are too poor to owe income tax. There will be those which keep part of their family allowance because they pay regular income taxes on their benefits. There will be those who keep part of their family allowance because they pay both regular income taxes and the clawback on their benefits. There will be those which will have to pay back all of their family allowances through the clawback.

This is part of what we have had heralded for us as a simpler and more easily understood tax system. This attack on universality is at very least ill-conceived, but it is more than that, and it is worse than that. There are a number of very important questions which need to be raised about this issue. For example, why should an individual be entitled to receive $100,000 in capital gains tax-free but lose the $4,000 he or she gets in OAS simply

because it was paid as a universal social benefit? Family allowances and old age security are already taxed in Canada. Why should a special tax be levied on children and on the elderly?

• (1710)

What will "the unique identity of Canada" mean in a few years when our social programs exist only to serve those in need? Will not our social programs be just like those in the U.S., leaner and meaner as all means tested programs are? How long will the population support the maintenance of social programs from which they are effectively excluded as beneficiaries? Will "need" be redefined downwards as it has been in Britain and in the U.S. and as it has been already with our UI and our welfare programs provincially?

If the essence of universality is destroyed through the back door, what is to protect medicare from attack? Will Canada's sick have to prove they are also "in need" to have access to our health care system? When did Canadians vote for having means tested family allowance and old age security programs? When was that put to them in any honesty at all?

Again, remember what the Prime Minister has said, defending the attempted deindexation of pensions in 1985. In *Hansard*, at page 5774 for that year, he said:

> There is not a single elderly person in this country today who has been impacted unfavourably by this budget.

We will pass over that. Referring to the member asking the question, he said:

> I have given him full responses to assure him that the commitment of this government to the elderly and the integrity of social programs is unrivalled and unsurpassed by any other party in the House and certainly is no less than anyone else's.

Or, how about the hon. member who chairs the finance committee, who said: "They", which is to say seniors, "live at a slower pace and they don't spend money in the same sense that you and I do. Older people don't wear out their clothes. They have plenty of money but they don't like to spend it".

Mr. Blenkarn apparently has forgotten that 42.7 per cent of single pensioners live below the poverty line in Canada, but we will let that pass as well.

I think actually in that statement from Mr. Blenkarn, which I quoted earlier, he got it right. This government is, in his words, sneaky. It simply cannot be trusted to do what it says it is going to do.

I know the Prime Minister tries valiantly to paint the picture that he really cares about seniors and families in Canada, and his government has no alternative but to eliminate universality in social programs. That is the cry, the justification: "The deficit made us do it". What utter bunk. The alternatives are staring us in the face.

Just imagine raising additional money by attacking social programs, asking someone with a $100,000 income to forgo $270 per child in current family allowances, instead of introducing a fourth marginal tax rate of 32 per cent for high income earners, which would raise some $2,000 each or $300 million a year.

Imagine setting up a system that will lead Canadians to fight against Canadians instead of reducing the interest rate by 2 per cent, which would raise an additional $3.5 billion a year.

In conclusion, I entered this debate principally to voice the feelings of disgust and rage that I know characterize seniors in my riding and that I feel safe in assuming characterize seniors across this country. They know that this clawback provision, this bill in its entirety, is unjust. They are telling that to the government. The only question before the House is whether or not the government will have the guts to listen.

Mr. Walker: Madam Speaker, with a great deal of trepidation I will ask the member a question. Going through the legislation I noticed the changes in the rules dealing with the surtax. This was brought to my attention by several constituents who were concerned that the government had very quietly changed its opinion as to what to do with the surtax. The temporary 3 per cent surtax on personal income taxes was imposed in 1986. In the 1987 budget the Minister of Finance promised that when the new sales tax was introduced the personal and corporate income taxes would be removed. That is a quotation from the Minister of Finance in the House of Commons on June 18, 1987.

Now the minister has made the personal income surtaxes a permanent feature of the income tax system. Before the GST technical paper was released the Minister of Finance had promised to remove the surtax as part of the GST package, but that promise has been broken and the surtaxes are now a permanent tax on all Canadians.

The increase in the surtax from 3 per cent to 5 per cent will take another $1.1 billion out of Canadians' incomes, or an average of more than $100 per Canadian family. The surtaxes, in my opinion, defeat the minister's own stated objectives of tax reform. One of the government's objectives of stage one of tax reform was to lower personal income tax rates. The top marginal tax rate was lowered from 34 per cent to 29 per cent. However the imposition of the surtaxes on all Canadians has pushed the marginal tax rates back up to close to what they were before tax reform started.

The minister sold tax reform to Canadians by telling them that they would get lower personal income tax rates but would pay more sales tax. Canadians have the sales tax increases all right but not any of the savings as promised. I would just like to ask my friend what he thinks about the government reneging on its original promise to drop the surtax as it introduced the GST.

Mr. Harvey (Edmonton East): Madam Speaker, I would like to say that it took me completely by surprise, but I realize that in this House we are honourable and must tell the truth so I cannot say that.

If I were to take every broken promise uttered by this government and record it in *Hansard*, I would have enough *Hansard* to wallpaper my home back in Edmonton. So, is it a surprise? No. Is it characteristic of this government? Yes. Do I expect it to be the last broken promise? No. Do I expect that in breaking these promises the government is going to change its spots and in fact start benefiting ordinary Canadians? No. Do I expect that it will continue its assumed mandate of altering the taxation system to make it ever more unfair, ever more oppressive of ordinary middle and low income Canadians in the interests of high income Canadians? Yes. And, by the way, I would be really cautious about defending high income Canadians if I were the hon. member, because they have more than enough defenders across the way. They suffer an embarrassment of riches in this regard too. I think I will let it go there.

Ms. Mitchell: Madam Speaker, I want to make a couple of comments and ask for a couple of remarks from the very eloquent member who just spoke, who I am honoured to say is a colleague of mine.

Two or three years ago in the last Parliament we debated the cut-backs and erosion of social programs, particularly the family allowance and the old age pension, when the government at that time was deindexing. I was struck at the time by the fact that the senior citizens across the country organized and were able to change policy. However children have no vote and they really have no voice so it is much more difficult to organize.

The deindexation of the old age pension was stopped. The deindexation of the family allowance went forward. I am glad to hear the hon. member speak so eloquently on behalf of children in the country. I would remind him that when the family allowance was first brought in by the members of this party, largely, and by social democrats and others across the country, the intent was that it would grow and would gradually become a way of subsidizing the real cost of child rearing in this country. It was based on the philosophy that children belong to all of us.

I do not happen to have children, but I feel I have just as much responsibility, if not more, to pay taxes for the cost of rearing Canada's children. It is very, very unfair, therefore, to hit the parents who have the high costs of raising children with the high cost of housing, clothing, education, and so on, regardless of their income. It is very unfair to be taking this back only from them and not taking it out of general tax revenues.

• (1720)

Another point that has come into this debate in the past is the fact that the family allowance usually goes to mothers. It is often the only cheque that the woman, even of well-to-do families, receives in her own name. We heard some very eloquent statements from women on that aspect.

A further point that I think has come into the argument from time to time, and he perhaps touched on it, is that this is really doing away with universality. I would go further and say that it is doing away with a floor of social security in this country altogether. As social policy analysts have said, "if you do not have the middle class involved in some of the benefits from social

programs, you lose political support and pretty soon the programs are coming down with tougher means tests and there is a great stigma on the kind of programs that go to people; we would be back to a dog eat dog society".

Perhaps my hon. colleague would care to comment.

Mr. Harvey (Edmonton East): Me too, Madam Speaker.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, I welcome this opportunity to speak on behalf of the senior citizens in my riding and on behalf of families and their children.

I will now address to Bill C–28, an act to amend the Income Tax Act.

[*English*]

Bill C–28 makes 59 different amendments to the Income Tax Act, implementing many of the 1989 budget provisions.

[*Translation*]

Madam Speaker, to me, these changes in the Income Tax Act are an attack on universality, on senior citizens and on our families.

As of financial year 1990–91, the government will effectively put an end to the universality of social benefits in Canada. People who paid a special tax before 1971 to help pay for old age security benefits received the assurance of Parliament, when the tax reform was passed in 1971, that they would continue to be entitled to old age security benefits.

Last year, during the election campaign, the Prime Minister said repeatedly that he would not tamper with old age security pensions. He also said: "As long as I am Prime Minister of Canada, social benefits, especially those for the elderly, will be improved, not diminished by our government". That is the promise the Prime Minister made, the promise the whole country heard during the televised debate. At one point he even brought along his mother, repeating his promise that he would protect old age security pensions and would never tamper with them.

Incredibly, since the 1988 election the Tories have yet to keep a single promise they made to Canadians. They never mentioned this during the campaign. Never! They were playing a very different tune, which is why I say we cannot trust them.

Bill C–28 is an attack on the rights of senior citizens. It is an attack on the pensions they deserve. This Bill is an attack on family allowances and on our families.

This Bill is an attack on the principle of universality of the social programs we designed and implemented many years ago.

Madam Speaker, this bill is a complete denial of the promises the Prime Minister made during the last election campaign, as I said earlier. I would like to recall, for the benefit of hon. members, the promise the Prime Minister made in Sydney, Nova Scotia, during the last election campaign. He said: "As long as I am Prime Minister, social benefits, especially those for the elderly, will be improved, not diminished".

Bill C–28 is a betrayal of what the Prime Minister once called a sacred trust.

This is what my Liberal party leader had to say during the election campaign: "The men and women of Canada who worked all their lives to build this country counted on the old age security pension as one of their rights as Canadian citizens. They paid taxes all their lives. They planned their future on the basis of this pension. It is part of the social contract in Canada."

[*English*]

Bill C–28 makes 59 different amendments. Part I.2 of clause 48 of this bill implements the clawback of family allowances and old age security pensions. The amount of the repayment is equal to 15 per cent of the taxpayer's net income over $50,000. The clawback of the family allowance will take $1.686 billion out of family budgets in the next five years, or $500 million a year by 1991.

Within 10 years close to one million Canadian families who currently receive family allowances or old age pensions will begin to lose their benefits due to the partial indexing of the $50,000 threshold.

The $50,000 threshold at which individuals begin paying their family allowance and old age security benefits is only partially indexed. This deindexation of the $50,000 threshold means that within 10 years close to one million Canadians will start losing their family allowances and the old age pensions. The clawback proposal would put a special tax on families with children

and on seniors, a tax that does not apply to anyone else. In this way the clawback is anti-family and anti-senior.

The National Council on Welfare in a press release dated September 13, 1989 stated:

> The federal government should abandon its proposed "clawback" of family allowances and Old Age Security pensions.
>
> The move away from universal benefits is the most significant change in social policy in a generation, yet it was announced by the Minister of Finance in the budget speech with no prior consultation.
>
> In the case of seniors, the federal government had publicly rejected the idea of a clawback or surtax on old age pensions as late as January 1985 on the grounds that it would "seriously disrupt" the retirement income system—the clawback changes the rules of the game without their consent. The elderly have already paid for their old age pensions through a lifetime of paying income taxes.
>
> In the case of parents, the clawback discriminates against one earner families because it is based on individual net income. A one earner family with two children and a net income of $56,000 would lose all its family allowance benefits. A two earner couple where one spouse earns $45,000 and the other $35,000 would escape the clawback despite their combined income of $80,000.

Second, I would like to read from a letter dated June 23, 1989, which was sent to the Prime Minister from from Les Batterson, president of the Senior Citizens Federation. It stated:

> Our position is that the tax-back is age biased, grossly inequitable and has serious implications with regard to universality.
>
> We view this proposal as a serious breach of faith by our government and an insidious effort to undercut the social security programs that you have on numerous times stated are a sacred trust.
>
> We also are aware that we had previous deficits as serious as the present one and the government of the day did not tax back pensions to which Canadians had every reason to believe they had a genuine right.

The Coalition of Quebec Seniors in a letter to the Minister of Finance dated May 24, 1989 stated:

> As the clawback begins to affect increasing numbers of individuals, there can be no doubt that the net effect will be a gradual reduction of the principle of universality.
>
> We consider further that a special tax which is only directed at seniors is discrimination on the basis of age, unfair, and contrary to the Charter of Rights.
>
> Your proposal creates a steeper tax rate for seniors than for others at similar income levels. Seniors who with great difficulty have succeeded over the years in saving for their retirement are being penalized.

• (1730)

[*Translation*]

Madam Speaker, thank you for giving me this opportunity to speak on behalf of the senior citizens, the families and the young people in my riding.

Mr. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I would like to thank my colleague for his very eloquent speech on the harm this bill will do to seniors in our country. He also reminded the government of principles which it seems to have forgotten: universality, equity and keeping prior commitments.

[*English*]

I would like to respond to a comment which was made repeatedly by my colleague opposite, the member for Halifax West. The argument that we hear repeatedly advanced on the other side of the House about the clawback measure, in particular, and the tax back on the family allowance, is that it is designed to tax the rich in order to give more money to the poor. I would like to ask, where is the money going to the poor? Everybody is being taxed more. The goods and services tax will be regressive. It will tax the poor citizens of this country, especially those in Atlantic Canada, proportionately more than it will tax the rich.

A whole litany of consumption taxes are being raised which we know will affect those with modest means much more than those with higher incomes. This line that we hear from the government is simply sophistry and designed to confuse what is really a tax grab from those people who are unable to avoid the tax.

The people who do not get taxed in this society are those who have the money to pay for tax lawyers, accountants, or who are members of large corporations that can avoid the tax. Let us face it, the government is unwilling to put in measures to obtain tax revenue from those who have it because it is much easier to tax those who, for various reasons, cannot avoid the tax.

The idea that this tax on old age security is a way of somehow making the system more fair is nonsense. Perhaps my colleague would like to comment on that in the time that remains.

[*Translation*]

Mr. Bellemare: Madam Speaker, I appreciate the comments of my colleague from Cape Breton Highlands—Canso. I think that we are talking about basic principles. And if the principle of universal social programs was established some time ago, we must stick to it, because a few years ago, senior citizens were much younger. They were then careful to put money aside, to invest well and all of a sudden, when they are retired and unable to react financially or politically or in any other way towards the government, they are hit in the pocketbook.

I think that if we want to raise taxes, if we must raise taxes, it is all right to raise taxes, then this must be done according to people's income and not because they get money from some source or another or in one way or another.

People must be taxed on their total income and not a particular aspect of it, like the amounts given under our social contract, family allowances or old age pensions. That is contrary to the principle of universality, Madam Speaker.

[*English*]

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I rise to discuss the bill proposed by the government. When I was glancing through the government report, one thing came to mind. It has been the argument of the government that one of the main reasons why it has to cut programs and projects that cater to people who are in need is because of the deficit.

Over the weekend, I was glancing at some documentation published by Statistics Canada, and also some documents published by different well-respected agencies.

In my view, to reduce the deficit, you just do not launch an assault on those who are keeping the economy rolling. Unfortunately, over the past five years the government has been panicking, and as a result it has been reactionary. It has launched an assault on middle income Canadians who are, to a large extent, the engine of the economy in this country.

Over the past 20 years we have seen a drastic decline in the manufacturing sector and a drastic increase in the service sector. I might add that this is the source of the problem in Canada and that is why the government is in a panic situation. If we were to increase the level of productivity, we would not be in this situation.

In the 1970s the manufacturing sector in Canada employed approximately 31 per cent of the workforce. In 1989–1990, it employs approximately 25 per cent of the workforce. This will decline to approximately 20 per cent of the workforce by the year 2000.

In the 1970s the service sector employed about 36 per cent of the labour force; by the year 2000, it will employ approximately 53 per cent. So there is a massive shift of the labour force from the industrial sector to the financial sector or the service sector.

This has caused a panic. Why? Because in the service sector more emphasis has to be put on education, and a more educated workforce is required to carry on with the tasks. According to a *Globe and Mail* report published on September 5, 1989, we cannot take pride in the fact that we are doing enough in the area of education in order to tackle the deficit.

The report states that more than 22 per cent of Canadians over the age of 15 are not currently enrolled in any kind of educational system or they are considered to be functionally illiterate. Furthermore, approximately 30 per cent of Canadian students who enter secondary education leave without getting a diploma. In comparison, Germany has about 14 per cent. Only 72 per cent of Canadians at age 17 are still enrolled in some form of formal education, compared to 94 per cent in Japan. If we want to compare ourselves to our friends in the south, the worker in the United States has at least one year more of education than the Canadian worker.

The shocking thing is that per capita Japan has four times as many engineers as Canada, but we have 20 times as many lawyers as Japan. Probably that is the problem, we have too many lawyers not have enough engineers.

• (1740)

It was quite disappointing to see a decline in the area of investment for education. Last year there was approximately an 1.8 per cent increase in the area of education, and when we compare that to the years between 1985 and 1989, we only had an increase of about 2.3 per cent,

which was well below the consumer price index of 4.2 per cent. Frankly, that is where the problem is.

We do not have an agenda for the future. We seem to be panicking. We seem to be pushing all the buttons at the same time when we do have the answer. We are all talking about the answer. The Prime Minister has been speaking for the past goodness knows how many years about the need for a better educational system, the need for standards, the need for more research and development, and the need for industry and private sector involvement. We are all saying a lot, but the government is not doing anything about it. That is what needs to be done. By investing more in the area of educational research and development, I can assure you that the train will start moving.

What we are doing is putting on all the brakes at the same time. We are increasing taxes. We do not have any other source of revenue except taxes as it is right now, and as a result we are going into the pockets of those who cannot help themselves. Unfortunately, in this particular case, it is our seniors, it is the middle-income earners.

I will challenge the minister in three years to tell me that one of the main reasons why they introduced the goods and services tax is to reduce the deficit. He should say that and he should tell Canadians that that is the main reason why it was introduced.

Who are the people who will be affected the most by this? It is the middle and low-income Canadians. It is quite unfortunate that the government has to claw back from those people who have built this country, who put in the infrastructure of this country. We have worked extremely hard in the Liberal party in the past 50, 60 and 70 years to build a middle-income group and to help those who need it. We introduced the social programs with the support of some of our colleagues in this House. We have them in place. Over the past four years, we have seen an assault that this country has never seen in its history.

This is a very, very sad thing to do. I have been to approximately 30 different town hall meetings in my riding with senior citizen groups. These people have attacked the government for its initiative to tax them and to take away their money. After all, it is the senior citizens' money.

Nobody could have put it better than a senior citizen in an article published in *Today's Seniors* of September 19, 1989. He said: "Having diligently saved for my retirement, it is most discouraging to find that instead of the enjoyment of the life I have saved for I will be contributing to bail out this spendthrift government." That is true.

Another senior said: "For the first time in my life I am frightened of the future." We are frightened of the future. Unless this government sets a proper agenda for the people of Canada, unless the government communicates the proper vision for Canada, unless the government stops looking at other means and ways than taxation then we are frightened of the future. I want to give the chance to some of my colleagues to address this particular bill, but I am frightened by what I see. I hope my colleagues from across the floor will also speak out on this issue.

Our senior citizens are hopeless. They need the support of all of us.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Madam Speaker, I am pleased to rise in my place and participate in the debate on Bill C-28. I want to add my voice to those of my colleagues in this House who have, in as profound a way as they could, drawn the attention of the House to the enormous betrayal that is represented by the piece of legislation put before Parliament, the quite profound disillusionment that Canadians feel at seeing the 59 amendments contained within this bill.

Bill C-28 is not a bill that deals merely in dollars and cents, although ultimately that is the impact, one of dollars and cents. It is not a bill that is primarily financial in nature, although Canadians will count and be able to count in quite dramatic ways the dollars and cents lifted out of their pockets, the decrease in their spending power, but the bill is ultimately not about money. This bill is ultimately about what kind of Canada we are going to live in during the 1990s and beyond. That is really what the bill is about.

We see increasingly in this country quite strong signs of renewed intolerance, renewed lack of understanding, lack of sensitivity. We are seeing a different kind of Canada emerge through the latter part of the 1980s, and it is interesting, through the five or six years that this Conservative administration has been the Government of Canada. In the House of Commons we frequently see members stand up with tens of thousands of names on petitions protesting the fact that a distinguished, honourable and decent human being who wants to be an RCMP officer cannot because religious requirements are such that he must wear a turban. That says something rather disheartening about what this country is coming to. We

see a chairman of a standing committee of this House describe the contributions of Canadians from a particular region to the work of that committee as not worth hearing. That says something rather disquieting about this House and this country.

There was a time not so long ago when those kinds of petitions—referring to turbans—or those kinds of comments from a distinguished parliamentarian just would not have been heard. But we are living in a different kind of country. Tolerance is disappearing.

Wrapped up in the 59 amendments to Bill C-28, wrapped up in the whole notion of clawback, wrapped up in the whole effort to pick the pockets of those least able to defend themselves, children and our senior citizens, is an example set by the government of that intolerance, that lack of caring, that insensitivity, that evolution of a new kind of Canada.

What kind of Canada is it? It is a Canada exemplified by those examples I cited, a Canada where citizens are taught to say I am okay, Jack, and that is all that matters. I can cut it. I have a roof over my head. I have bread and butter on the table and I am okay and it really doesn't matter a damn how my neighbour is. The same kind of mentality says you can define or defend culture on the basis of whether or not an RCMP officer, duly trained, properly equipped, is less an officer because he wears a turban for religious purposes. Intolerance!

That is what Bill C-28 is, a mean-spirited bill. It is intolerable. It says that the concept of universality does not matter any more. It says that the Prime Minister's commitment to a sharing, caring, tolerant Canada doesn't matter any more. It says that the collection of values that have bound us together through all of these decades even within our diversity do not matter any more. It says that we are a different kind of country.

• (1750)

Canadians who are concerned about the clawback, Canadians who oppose clawing back those pension benefits from senior citizens acquired over a lifetime, do not oppose it just because we feel that a contract is a contract. That happens to be one good argument that somebody who paid all his life in the expectation of receiving "x" number of dollars ought to receive it because a contract was made and ought not to be broken. That is not the only reason you defend somebody who has a high income in his or her senior years and say that pension ought not to be taken away.

We do not defend the family allowance moneys being clawed back thereby taking from children, because, we say, even though somebody has a reasonably good family income he or she ought to get paid every cent. We all know the family allowances are already taxed back now up to 30 per cent under the income tax system. That is not the reason we are defending, as the government would have us believe, the well-to-do in this society.

The reason we oppose the clawback, the reason we want social programs to remain universal, is that we know in this party and we have historically known in this country—indeed the Conservative Party across the way used to know or at least pretended to know—that a social program targeted only to the poorest of those among us is going to be a damn poor program. That is the reason we stand and oppose this bill. Because all senior citizens in Canada who have followed this debate know, including the poorest of Canada's seniors, that if you claw back the benefits of Canada's upper-income senior citizens and you claw back out of homes the family allowances of Canada's upper or middle-income people then you have clawed away a large part of the notion of sharing and caring in this country and you are ghettoizing through our social programs those people who are the poorest among us. You are saying that you are designing a program that will only apply to the poor. That is exactly what you are saying. And do you know what happens when you do that? At one point in time those poorest people, the only ones who are going to get social benefits, become like the RCMP officer with the turban. An intolerant, indifferent, uncaring, so-called majority says: "It is not in my best interest any more. I do not want to pay for it. And there sure as hell should not be a social program at all in this country".

That is precisely what is wrong with the Tory mentality. It is a mentality that invites Canadians to say that if you can find within your own financial means a way of looking after yourself, a way of providing for yourself and your family so that you do not need any additional assistance whatsoever, you do not want to participate in the social program. The logical extension is, Madam

Speaker, at the end of the day why should you pay in for social programs?

Mrs. Dobbie: You wouldn't know logic if it jumped up and hit you on the face.

Mr. Tobin: My friend opposite states that I would not know logic if it jumped up and hit me on the face. I say to my friend opposite, that if this member opposite had the courage, had the integrity of a basic human being, this member opposite would not stand and applaud like a trained seal for a Prime Minister who has lied outright, repeatedly, to the people of Canada. That is the bottom line.

Mrs. Dobbie: Withdraw and apologize.

Mr. Tobin: Madam Speaker, I understand that in parliamentary tradition I cannot use that word. So, for the sake of not having my speech interrupted by a trained, spineless seal, which is parliamentary, I want to withdraw the word "lied".

Mr. Edwards: And apologize.

Mr. Tobin: Apologize? You want me to apologize to the senior citizens of Canada for a Prime Minister who committed to them that their social programs would not be touched and then robbed their pockets? I cannot apologize for the Prime Minister. He has to apologize for himself. You want me to apologize for a Prime Minister who brought his mother, a senior citizen, on a stage and said, "My mother is a senior citizen. I would no more abandon her than senior citizens of the country". I cannot apologize for that act of betrayal. That is up to the Prime Minister.

I am concerned that Canadians understand that what is at stake here today is not taking substantial dollars out of the pockets of some Canadians. What is at stake here today is whether or not we in this country are going to continue to have social programs universally available, and as a consequence, always available to those who need it the most. That is what is at stake.

For those who believe that in this Canada we ought not to emulate and try to replicate that nation to the south where it is dog eat dog, where it is a fact of life that you get the health care you can pay for; no more, no less; where it is perfectly acceptable to see your neighbour in the gutter as long as you have done all right and saved your pennies. For those who believe that a country like Canada, as large as it is, and as sparsely populated as it is, can only survive when citizenship has attached to it some common meaning no matter where you live and what your circumstance, then we have to maintain our social programs.

This government, had it any idea that a nation's heartbeat, a nation's soul, a nation's conscience cannot be defined like pieces on a Monopoly board, it would withdraw this bill because for the few pennies the government is putting back in the Minister of Finance's coffers, it is ripping the heart and soul out of Canada. The government is asking us to become a nation of intolerant, indifferent, selfish, mean-spirited citizens. That is not in the fibre of this country. It will not be accepted by the people of Canada. Had this government the courage of its words and commitments, it would withdraw this bill.

The people of Canada will not forget this bloody betrayal of our basic values and beliefs by this government.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mrs. Champagne): Questions or comments. The hon. member for York South—Weston.

Mr. Nunziata: Madam Speaker, I would like to put a question or two to my friend and colleague. I believe, as he does, that Canadians are fair-minded people, that they understand the need for the Government of Canada, indeed all governments, to tax in order to ensure certain programs and benefits and in order to improve the quality of life for all Canadians.

In so doing, I believe, and I am sure the member agrees, that any system of taxation has to be perceived to be fair to all Canadians, whether you are a rich stockbroker on Bay Street or a single mother or father on welfare in Metropolitan Toronto.

I would like to ask the member whether he really believes—and he has been in the House now for a considerable period of time—that this government over the last five years has been fair with its economic policies? The member has enunciated our concerns with respect to the so-called clawback provisions, the attempt to de-index senior citizen pensions. Can he indicate to me how this government could possibly conceive it or believe it to be fair to clawback seniorcitizen pensions on the one hand and to allow rich investors on Bay Street to claim capital gains? Where is the justice? Where is the fairness? Where is the equity in that type of economic policy?

The Acting Speaker (Mrs. Champagne): I am sorry to interrupt the hon. member. I am sure he will find a way to answer that question at the next sitting of the House.

It being 6 p.m. this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, October 19, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

SOFTWOOD LUMBER PRODUCTS EXPORT CHARGE ACT

TABLING OF ANNUAL REPORT AND REFERENCE TO COMMITTEE

Mr. Jack Shields (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, pursuant to Standing Order 32(2), I am pleased to table, in both official languages, the annual report of the Softwood Lumber Products Export Charge Act for the fiscal year ending March 31, 1989.

Pursuant to Standing Order 32(5) this report will be permanently referred to the Standing Committee on Forestry and Fisheries.

* * *

COMMITTEES OF THE HOUSE

BILL C-29—REPORT OF LEGISLATIVE COMMITTEE

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-29, an act to establish the Department of Forestry, to amend the Forestry Development and Research Act and to make related amendments to other acts, with amendments, in both official languages.

[*Translation*]

TABLING OF SEVENTEENTH REPORT OF STRIKING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the seventeenth report of the Striking Committee.

[*Editor's Note: See today's Votes and Proceedings.*]

RAILWAY ACT

MEASURE TO AMEND

Hon. Marcel Masse (Minister of Communications) moved for leave to introduce Bill C-41, an Act to amend the Railway Act (telecommunications).

Mr. Speaker: Is it the pleasure of the House to grant the Minister leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

• (1110)

[*English*]

Mr. Speaker: Presenting petitions, the hon. member for Vancouver—Kingsway—I am sorry, the hon. member for Vancouver East.

Ms. Mitchell: Thank you, Mr. Speaker, would that we had a Kingsway.

Mr. Speaker: I hesitate to interrupt the hon. member, but I must indicate to her that I feel very much of the same sentiment.

Ms. Mitchell: Yes, I realize that you do, Mr. Speaker, and wish only that we had power to change some boundaries.

* * *

PETITIONS

VIA RAIL

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour today to present a petition from a number of constituents, most of them from my riding of Vancouver East, protesting very strongly the cuts to VIA Rail services which they believe are essential for many Canadians, rail service having been a part of Canada for more than 100 years. These reductions could eliminate a

third of our national passenger railway system or more, as we know now.

The undersigned petitioners call upon Parliament to maintain the VIA network, upgrade VIA equipment, and guarantee VIA sufficient support to carry out its mandate to provide passenger service.

[*Translation*]

OPPOSITION TO PROPOSED GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I have the honour to present a petition from voters in Windsor—

[*English*]

They are outraged that the government is proposing a goods and services tax, a vicious and nasty tax, and they call on Parliament to reject the goods and services tax.

OPPOSITION TO BILL 178

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Madam Speaker, I have the honour to present a petition, certified correct in form and content, from citizens of Bath and vicinity who call upon the government to exercise its constitutional right and disallow Quebec's language Bill 178.

[*Translation*]

OPPOSITION TO PROPOSED GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, it is my duty to table in the House a petition criticizing this Government for its arrogance in wanting to impose an additional tax on Canadians, a goods and services sales tax.

[*English*]

The people who have signed this petition make it quite clear that they disagree with the goods and services tax, would like it to be dropped from the agenda, and implore the House to call upon Parliament to reject the proposed goods and services tax.

[*Translation*]

Mr. Guy H. Arseneault (Restigouche—Chaleur): Madam Speaker, I have two petitions dealing with subjects that are as important for my constituents and those in other ridings. The petitioners oppose the planned goods and services tax. The petitioners feel that the Government proposing this tax is probably making a bad decision for Canadians and they ask Parliament to reject the planned goods and services tax.

[*English*]

VIA RAIL

Mr. Guy H. Arseneault (Restigouche—Chaleur): Madam Speaker, the second petition that I have is on another very important subject and that is VIA Rail.

Whereas the Government of Canada has decided to eliminate many of VIA Rail's existing routes and thousands of jobs; and whereas the rail passenger mode is the safest and the most environmentally friendly mode of travel, the petitioners humbly ask the House of Commons to ask the government not to cancel in whole or in part rail passenger services in Canada.

OPPOSITION TO BILL 178

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a petition that I want to present on behalf of over 100 residents of Halifax West and Halifax—Erie.

I want to stress their ancient right to petition the House of Commons, because in this petition they ask the House to consider recommending disallowance of Bill 178 which was enacted by the province of Quebec.

REVISION OF EXTRADITION LAWS

Mr. Doug Fee (Red Deer): Madam Speaker, I have the honour this morning to present two petitions that have been certified correct as to form and content.

The first one represents the signatures of 1,327 central Albertans who call upon Parliament to revise the laws of Canada relating to extradition to allow the justice minister of Canada to extradite alleged or convicted criminals at any time after their apprehension in Canada, even during their period of incarceration for crimes committed in Canada.

If my arithmetic is correct, this brings the total to 83,438 signatures on the same petition.

RCMP DRESS CODE

Mr. Doug Fee (Red Deer): Madam Speaker, the second petition I have is signed by approximately 100 residents from the town of Rocky Mountain House who call upon

Parliament to preserve the distinctive heritage, tradition and uniform of the Royal Canadian Mounted Police.

PROPOSED GOODS AND SERVICES TAX

Ms. Beth Phinney (Hamilton Mountain): Madam Speaker, today I have the honour and privilege to present a petition signed by the residents of Hamilton Mountain. The petitioners have spoken out overwhelmingly against the Conservative government's proposed 9 per cent goods and services tax. They believe that it places an unnecessary additional burden on low and middle income Canadians.

These petitioners humbly pray and call upon this House to reject the Conservative government's 9 per cent goods and services tax proposal.

OPPOSITION TO BILL 178

Mr. Jim Karpoff (Surrey North): Madam Speaker, I have the duty as a member of Parliament, pursuant to Standing Order 36, to present to this House a petition signed by some members of my riding who urge the Governor General in Council to exercise its constitutional powers with respect to Bill 178 of the province of Quebec and disallow the bill.

VIA RAIL

Mrs. Beryl Gaffney (Nepean): Madam Speaker, I too stand in the House this morning, pursuant to Standing Order 36, to file a petition with 180 signatures from people from various cities in rural areas of Ontario.

These people are very concerned with the elimination of the rail passenger mode in Canada. They feel that it is the safest and most environmentally friendly way of travelling.

Whereas, since 1883 rail passenger service has been an integral part of Canada's public transportation network, they humbly pray and call upon Parliament to urge the Government of Canada not to cancel in whole or in part rail services in Canada.

PROPOSED GOODS AND SERVICES TAX

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, I have the honour and the privilege to present a petition on behalf of our Lady of Fatima's 50-Plus Friendship Club.

They asked me to present this petition to object to the onerous burden placed upon them as the goods and services tax will be applied on virtually everything they buy.

[*Translation*]

I also have the honour to present to you three more petitions telling us that this new universal goods and services tax will cause serious and unfair hardships for Canadians on low and moderate incomes. The signers of these petitions ask us to demand that the Government reject this tax.

[*English*]

CANADIAN WHEAT BOARD

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, I rise, pursuant to Standing Order 36, to present a petition on behalf of a number of producers from western Canada who are concerned about the government's handling of the Canadian Wheat Board, particularly the removal of oats from the Canadian Wheat Board on August 1, 1989.

They indicate that the decision was made without prior consultation with the Canadian Wheat Board advisory committee or the major farm organizations in western Canada.

They also indicate that farm marketing boards are a structure developed by farmers, are essential to the orderly marketing of farm products, and should not be weakened but strengthened.

They therefore call on this government to replace oats under the Canadian Wheat Board and to give oats and barley the same protection under the Canadian Wheat Board as wheat.

RCMP DRESS CODE

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I have the honour and duty to present two petitions this morning.

The first is from some 400 residents of Lloydminster, on both sides of the border and the surrounding area, who humbly pray and call upon Parliament to preserve the distinctive heritage and tradition of the Royal Canadian Mounted Police by retaining uniformity of dress code with all the recognizable colour and trappings that have such great historical value to this country.

RIGHTS OF THE UNBORN

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I have a further petition signed by over 1,000 residents of the province of Saskatchewan who call upon Parliament to formulate and legislate a law to protect life from conception, a law which seeks to save the life of both mother and child.

• (1120)

[*Translation*]

OPPOSITION TO PROPOSED GOODS AND SERVICES TAX

Mr. John Manley (Ottawa South): Madam Speaker, I have the honour of presenting two petitions this morning.

[*English*]

First, with respect to the goods and services tax that is proposed, there are signatures of many of my constituents who object to this regressive and unfair tax.

OLD AGE SECURITY

Mr. John Manley (Ottawa South): Second, again I have a large number of signatures of constituents who are objecting to the proposed clawback of old age security benefits.

The petitioners feel that they have paid for their old age security benefits since 1952 and that the government should withdraw this proposal.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, I ask that all the remaining questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): Before putting the motion in the name of the hon. member for Beauséjour, since today is an allotted day, pursuant to special order the House will go through the usual procedures to consider and dispose of the supply bill.

In view of recent practices, do hon. members agree that the bill be distributed now?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 81—FISHERIES

Mr. Fernand Robichaud (Beauséjour) moved:

That this House condemn the governments's mismanagement, lack of leadership, incompetence and negligence that has placed Canada's fishing communities and worders in unparalleled jeopardy.

He said: Madam Speaker, thank you for giving me this opportunity to start the debate on the motion you just read, which is in my name, and perhaps may read it again:

That this House condemn the governments's mismanagement, lack of leadership, incompetence and negligence that has placed Canada's fishing communitites and workers in unparalleled jeopardy.

Madam Speaker, I also want to take this opportunity to point to the many shortcomings in this Government's policies where the interests of the fishing communities on the West Coast, the Great Lakes and the East Coast are concerned. I would like to start by discussing the problems on the West Coast, especially those problems that will arise as a of the decision by the binational panel on Pacific salmon and herring, landings. Many jobs are at stake. Jobs are in jeopardy and jobs will be lost. On November 17, the Minister said in Richmond, and perhaps I may recall his words:

[*English*]

"I give my assurances that these jobs are safe".

[*Translation*]

He wanted to reassure these people by saying that no jobs would be lost as result of the FTA.

[*English*]

As my colleague the member for Winnipeg South Centre remarked on June 15, the Conservative government could have protected the west coast fishery by not putting it and all these jobs on the free trade bargaining table.

Today I wish to demonstrate to this House, to the thousands of people who are listening in the fishery

industry, and to Canadians in general how this government put our west coast jobs at risk, as well as jobs on the east coast.

Article 1801 states:

> Disputes arising under both this agreement and General Agreement on Tariffs and Trade and agreements negotiated thereunder may be settled in either forum, according to the rules of that forum, at the discretion of the complaining party.

In other words, the U.S. has the choice to challenge any trade practice in either the GATT or the free trade agreement. Naturally it will choose whichever forum is to its advantage.

If the U.S. chooses to challenge under GATT rules, the free trade agreement clearly states in article 408 that Canada cannot use export taxes to protect domestic industries such as the west coast fisheries. It reads as follows:

> Neither party shall maintain or introduce any tax, duty, or charge on the export of any good to the territory of the other party, unless such tax, duty, or charge is also maintained or introduced on such good when destined for domestic consumption.

Export taxes to protect domestic industries have been a recognized practice under the GATT. As my colleague from Winnipeg South Centre said on June 15, it is perfectly legitimate to use an export tax so that non-processed fish from Canada is subject to a higher tax. However, the government has decided that we could do without this unique and potent remedy. This is sheer stupidity.

The next time we hear this government saying that it is through no fault of its own that the GATT rules apply, we will know that it is not telling the whole truth. They have castrated the GATT rules by removing the most effective remedy, the only one that could have helped Canada protect those jobs in the west coast fishing industry.

To summarize, this government has signed a deal which gives the United States of America the right to choose its weapon, the free trade agreement or the GATT. If the U.S. chooses the GATT, this government has chosen to abandon the only GATT consistent remedy of any significance, the right to impose an export tax. This has led to the free trade panel ruling by which Canada has lost its power to impose processing and landing requirements. This means that Canadians will lose jobs and that Canada can no longer establish job creating policies for Canadians.

We have not even started to speak about conserving our resource. With this ruling we can no longer take measures of conservation. This ruling says that we cannot apply landing requirements to 10 per cent or 20 per cent, that part of the fisheries which will be exported. How are we to determine just what is 10 per cent or 20 per cent? We will find out after the fact when it will be too late.

As I stated earlier, in 1987 the minister of fisheries said that he would save those jobs. Two days ago he said that he did know how many jobs would be lost. On the one hand he says that it is a victory for Canada, and on the other hand he says that he is going to take 30 days to consider. Then his colleague in the Senate, the government leader in the Upper House, Senator Lowell Murray, contradicts the minister and says that the government accepts the finding and intends to work within the context of that finding.

Confusion is the major problem in the fisheries. There is confusion from this government. We do not know who leads the fisheries. When we talk about overfishing, it is External Affairs; when we talk about free trade, it is the Minister for International Trade; and then, the leader in the Senate intervenes once in awhile. Who is in charge?

• (1130)

Some Hon. Members: Nobody.

[*Translation*]

Mr. Robichaud: Madam Speaker, this is not the only instance where the Conservative Government failed to take a firm stand on defending our interests in the fisheries industry. The case of drift net fishing on the West Coast is another example. The Americans have the same problem but have taken a much firmer stand and obtained far better results.

If we look at the Great Lakes fisheries, it's the same story. The Great Lakes fisheries also have problems like water pollution and acid rain which affect the quality of the fish.

Madam Speaker, you will agree that the Government has been guilty of mismanagement as far as the West Coast and Great Lakes fisheries are concerned.

I would now like to look at the situation on the Atlantic coast. The problems facing the Atlantic Provinces do not concern just one minister. In fact, the entire Cabinet is responsible.

All this started a while ago. More than 1,200 jobs were cut at the CN workshops. The Tories are now going to make cuts in VIA Rail, and we will lose hundreds of jobs. The Tories have refused to take part in a joint program with the provinces for improving existing municipal infrastructures.

The Conservatives are going to make cuts in the Unemployment Insurance Program, after we were given the assurance there would no cuts. The Tories are going to make more cutbacks and close bases, especially the base at Summerside. Thousands of jobs will be lost.

Now they are asking us to approve a 9 per cent tax on goods and services. And as if that were not enough, on top of it all, they refuse to acknolwedge there is a crisis in the fisheries industry. This is simply too much! When fishermen, plant owners and workers and all the people who depend on the fisheries industry call for help, the Government, through the Minister of Fisheries and Oceans, says that this year is a good year, that things aren't that bad and that the fishermen are pretty well off!

The Department of Fisheries and Oceans, with the approval of its Minister, has the gall to publish a document that describes the current situation as the best we ever had. This is utterly absurd!

Madam Speaker, the Minister is aware of the fact that a number of fish stocks are in danger of disappearing. First of all, our northern cod, and there is also the crab in the Gulf and the lobster situation.

The preliminary report prepared by Dr. Harris suggests various ways of dealing with a crisis that is imminent, a fact that the Minister refuses to acknowledge. Furthermore, the Minister keeps repeating there is surplus capacity on the East Coast and that the number of vessels has doubled since 1986. What he does not say is that the Tories allowed this surplus capacity to build up. They do not say that all the decisions since 1984 were made by the Tories. This Government must take the blame for the surplus capacity.

[*English*]

This government does not know what it is doing. Here is another example of confusion. On May 11, the Minister for International Trade hinted at help for fishermen, communities, and plant workers, and told reporters that the impact of further cuts would be comparable to last year's drought on western and Ontario farmers, who had been promised a $1 billion aid program.

The same day the Minister of Fisheries said: "We will be deciding on a comprehensive way of dealing with the problem". Then the Secretary of State for External Affairs commented that it is a very serious problem.

How is that, Madam Speaker, from a government that says fishermen are having a good year, as the Minister for Fisheries insisted on October 2 in this House? The same minister is now saying that there is no real emergency, there is no need for an aid package, and that existing programs are adequate. You will hear from my colleagues from Atlantic Canada who will tell this House how inadequate those programs are, Madam Speaker.

This government is showing a sense of irresponsibility, especially when it comes to the well-being of Canadians and especially Atlantic Canadians.

This government is trying to convince Canadians that the problems are not as serious as they are in reality. We know that in late December, when we are out of this House, reductions in cod quotas will be announced. These reductions will mean a loss of revenue for the fishermen. It will mean a loss of jobs for the plant workers. Communities that depend on those stocks will lose their economic base. What does this government, this minister, do? He turns a deaf ear. He is not prepared to come to the rescue.

Unemployment is also a very good example of the short-sightedness of this government. The Minister of Employment and Immigration wants to retrain the unemployed in Atlantic Canada. I have been saying that it makes no sense because there are no other jobs to retrain for, and that consequently the people we retrain will have to leave the area. This is a massive relocation program, that is what it is.

This program has been questioned, not only by the members of the opposition, but also by the Minister of Fisheries who, on May 12, in an interview with the *Chronicle-Herald* was quoted as saying: "It's tough in Atlantic Canada to talk about retraining or restructuring

entire communities. You can't treat it", speaking about the fishing industry, "like a bolt factory closing in Toronto". That is exactly what we have been saying, the types of training programs that are proposed will not do the job.

The numbers do not lie. There is a problem in the fishery. What is lacking is a government with the necessary courage to address the problem right away, not wait until later on. In this crisis we must remember the fishermen, the plant workers, the small fishing communities. They do not have the strength or the capacity of the bigger corporations. At least one-third of the labour force in Nova Scotia's small fishing communities, which amount to about 150,000 people, are employed in the fishing industry.

Overfishing is also a plague. How can we ask our own fishermen to make sacrifices when some countries, some members of the European community overfish to the tune of ten times their allocated quotas. Canadians are asking for an end to this overfishing. They are asking that we extend our jurisdiction so that we can control those stocks. All Atlantic Canadians are asking the government to take some kind of action, and still this government refuses to act.

• (1140)

Finally, I come back to the beginning. In addition to all the problems that this government does not want to deal with, we must add the possibility that the Americans will want to access our east coast just like they are doing on the west coast. It is only a matter of time. They will access it either through recent legislation, as in the case of lobsters, or through GATT, since this government has stripped GATT of any remedy. There is no stopping the U.S. It is only a question of time.

[*Translation*]

Madam Speaker, of course I would have liked to spend some more time on the problems in my riding and the entire province of New Brunswick, such as the decline in crab stocks, lobster prices and lobster catches, and also, if I may digress somewhat, on the economic policies of this Government which go against the interests of our fishermen, and I am referring to the Government's policy of high interest rates which keeps the Canadian dollar at a relatively high level compared to the US dollar and makes our exports less competitive. That is exactly what is happening to our lobster. We can't sell it. Our fishermen had to catch it and sell it for practically nothing: $1.50 a pound. And the Minister and the Government still refuse to act.

Madam Speaker, my colleagues will describe these problems in detail when they speak later on, and I am sure the people of Beauséjour will recognize the situations and will conclude, as I have concluded, that although we cannot do much about the vagaries of mother nature, in some areas it is possible to find solutions and to take action, something this Government has refused to do.

Madam Speaker, what fishermen and workers in the fisheries industry want is a minister who understands them, a minister who goes out and meets and talks to them and listens, so he will be better able to defend the interests of these communities. The people in the Atlantic provinces, the fishermen and the workers, will not tolerate being ignored by this Government.

And so, Madam Speaker, I repeat my motion:

[*English*]

> That this House condemn the government's mismanagement, lack of leadership, incompetence and negligence that has placed Canada's fishing communities and workers in unparalleled jeopardy.

Mr. Rompkey: Madam Speaker, I want to compliment my colleague on this motion today. This is a very serious topic. I have some questions for him. The questions arise from the statement issued by the Government of Newfoundland that said that they had presented their case to the Government of Canada and received no reaction whatsoever. As a result of the interim report, the Harris report, the province indicates that the total allowable catch is down to 190,000 tonnes in the coming year and that they are facing a resource crisis.

They presented that case to the Government of Canada, and the statement the premier issued recently states that the federal government has indicated that it could not arrive at an acceptable reconciliation of the estimates of the magnitude of the problem because the federal panel of inquiry, the Harris panel, has not submitted its final report. They could not do anything because it has not submitted its final report. Are they not hiding their heads in the sand? Are they not refusing to deal with reality, to deal with probably the greatest crisis that the Atlantic provinces have ever seen? Doesn't the

hon. member think that the requests of the government of Newfoundland should be acceded to?

What they are saying is this, and I quote from the executive report of the summary: "The problems we are facing in 1990 are a direct result of the resource crisis". This document from the Government of Newfoundland states: "It is not acceptable to say that it has been caused by unwarranted expansions. Neither is it acceptable to say that it has been caused by structural or cyclical factors such as weak markets or a strong dollar. The problem has been precipitated by a resource crisis, but it requires more than a resource solution. There must be resource management. There must be measures to increase the scientific assessment. There must be measures to control and eliminate foreign overfishing". "However", it states, "the response of governments must go beyond resource measures. It must include structural, economic development and diversification". Let me repeat that. "It must include structural, economic development and diversification. Such diversification is needed to fill the vacuum left by a substantially reduced fishing industry".

I want to ask my hon. colleague, does he not think that in view of the fact that we have the initial report and we know the resource is going to be less this year than last year, and in view of the request for structural alternatives to the economy for alternative employment for those fishermen and plant workers that are going to be affected, it is about time that this government acted?

[*Translation*]

Mr. Robichaud: Madam Speaker, I want to thank the Hon. Member for his question and comments, and of course I agree with the points he mentioned.

[*English*]

Once again this is an example of the lack of leadership of this government, the lack of commitment of this government to the people of Atlantic Canada, and the lack of commitment to the fishing communities of Atlantic Canada. When we say there must be major changes, we must pay particular attention to the problems. What does this government do? It cuts the sub-agreements on different sectors of the economy.

We have seen the government cut into ACOA which was supposed to do wonders for Atlantic Canada. We were supposed to receive $1 billion over five years and this was supposed to be new money, over and above what was already there. What have we seen? We have seen the period for the $1 billion extended to over seven years. We have also seen the government going to the ACOA fund to fund the sub-agreements which were funded separately.

This government has absolutely no sense of responsibility. It has no commitment to the region, to Atlantic Canada.

Mr. Crosby: Madam Speaker, I was interested in the remarks that the member for Beauséjour made about the problem posed by unprocessed fish leaving Canada and being processed in other places, particularly in the United States of America. That happens on the Atlantic coast as well as the Pacific coast. The solution that the member mentioned was an export tax. As I understand his presentation, we should have kept the ability to put export taxes on unprocessed fish leaving Canada.

What I want to comment on so everybody will know, is that the people who are exporting that unprocessed fish out of Canada are Canadians. I want to know whether the member has spoken to those Canadian fishermen and fish brokers and told them that he thinks there should be an export tax on the products that they are exporting. I wonder if he has discussed it with them and has their consent to that kind of tax imposition.

I would also like to know what the member has to say about the possible repercussions of imposing such a tax. Is it not possible that the people in the countries that are adversely affected by such a tax might look at our situation and perhaps take retaliatory action? What is he going to do if that action is taken? What is he going to do if fish products from Canada are banned or taxed in some other way? Now, reflecting on these two points, I want to ask the member, does he still think export taxes solve problems?

• (1150)

Mr. Robichaud: I would say that the first task of an export tax would be to protect Canadian jobs. That is why

it was there. We were never challenged, before the free trade agreement, on the west coast for our processing. Yes, the action was taken before the deal was signed. But in the deal we gave away the only action we could take against the Americans. We gave away our right to use an export tax.

I may turn the question back to the member. Has he got anything against protecting Canadian jobs? What has he got against that? This is exactly what we would be doing with export taxes.

Mrs. Gaffney: Madam Speaker, I listened to my colleague, the member for Beauséjour, give what I consider to be a very concerned speech on behalf of not only the constituents in his riding of Beauséjour, but all of Atlantic Canada and the western fishing industry. I watched the minister across the aisle and I saw the smirks and the smiles. It really bothers me.

I would like the member for Beauséjour to tell me, who lives in inland Canada, and whose constituents do not rely on the fishing industry, what an average fishing family in his riding makes. What kind of problems do they have to attend to with regard to the environment, the elements of the weather, and the periods of unemployment? I would like to hear comments from the member on these.

[*Translation*]

Mr. Robichaud: Madam Speaker, a document published by the Department of Fisheries and Oceans mentioned the average income of fishermen, and allowing for unemployment insurance, the figure was well below $20,000. The document added that this figure had gone up since 1984. But Madam Speaker, is a salary of less than $20,000 enough for a whole family? People living in the Atlantic region may be at some distance from the focus of activity in Canada, from the more prosperous central region, but we still have to pay the same prices for food and all our services and all the goods we buy that are produced here in Central Canada, which makes the situation even harder for us, and it will get even worse when this Government decides to impose a 9 per cent tax on everything sold in this country. This will hit us hard.

[*English*]

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Madam Speaker, I am pleased that the hon. member for Beauséjour initiated this important debate in the House of Commons today. It is not that I agree with the stark language of the motion, but I think this is a very important subject which is too often ignored in the House of Commons and across the nation. It is of extreme importance to the people of Atlantic and Pacific Coast Canada and the inland waters where commercial fisheries are also important.

I want to say to my colleague, the hon. member for Nepean, that she or her party have no monopoly on concern.

We take our responsibilities to the fishermen and the fishing communities of Canada extremely seriously.

At the present time there are a number of troubles in the Atlantic Canadian fishery, most not of the making of governments, but due to other circumstances over which we should exercise a different kind of control perhaps than we have in the past, but there are a number of troubles which must be addressed and this debate will give us a chance to discuss them.

These difficulties have to be discussed in a sensitive and caring fashion because they pose a great amount of anxiety and worry for the people who depend on the fishery and, indeed, if they are not addressed there could be genuine areas of hardship in the months ahead.

I want to take part of my time to point out that there is no crisis in the fishery. The crisis emanates from those who would exaggerate alarm and suggest that, contrary to the fact, throughout Canada there is some kind of great chaos when indeed the opposite is true, and the management of Canada's fisheries is sound.

There is no government before us in recent times that has devoted more effort to enriching and improving our vital fisheries resources. No government before us has ever considered the state of the fisheries as carefully, no government has ever included fisheries as high on the priority list of cabinet.

The record of this government in the area of fisheries is one of responsible, intelligent and sensitive management of an important and valued resource. The government knows, and everyone should know, there are no

shortcuts to managing a healthy, natural resource so that sustainable development becomes a reality, not just a goal to which lip service is paid when it is convenient.

This government has taken strong measures to keep the fisheries vital and in consequence we have had years of unprecedented growth, a thriving industry, and maximum profits up to the end of 1988. The fishery is changing and we have to recognize that the fishery has undergone cyclic change many times through its history, and that change is also part of reality. New fishing technologies, shifts in the environmental conditions globally, market forces, the unpredictability of nature, the supply of fish from other sources in other lands, all these factors have contributed to the state of flux and, therefore, the state of anxiety on the part of Canadian fisheries, particularly in Atlantic Canada.

We are honestly and intelligently addressing that change. This means we are taking an objective look at the state of our fisheries to ensure that vision and reality merge to provide a healthy resource for today and for generations to come.

To do this we must explore, develop and adopt policies which can maintain a viable and productive resource for the future. This government does not endorse benign neglect when it comes to renewable resources. This government, unlike hon. members opposite sometimes, does not endorse merely taking short-term measures when we expect a long-term steady gain and improvement in the fishery. It just does not work that way.

Scientific research, consultation among all players, and judicious management of fish stocks are the keys to a prosperous resource. This takes time and special expertise. Putting all this together is what constitutes an intelligent management of the resource.

The fact is that conservation and the need to avoid overfishing involves difficult choices. We have an overarching commitment to resource management and to sustaining economic utilization of a well-managed fishery. In this regard, Canada stands at the top of the list among nations when it comes to the refinement of methodology for stock assessment, the establishment of quotas, and devising an effective protective process for living within those quotas that amounts to sound management decisions.

I am pleased to say that all in all, the professionalism of the Department of Fisheries and Oceans and the sometimes cautious but realistic way in which we have managed stocks has led to many significant gains for the industry.

• (1200)

Let us examine some of the facts. For Atlantic Canada alone, from 1983 to 1988, landings of all fish species increased by 200,000 tonnes to 1.3 million tonnes over that period of only five years. Total added value increased by $400 million to over $1 billion during the same period. The total value of processed fish products increased by three-quarters of a billion to $2.2 billion in 1988. Our management program has resulted in more than two and one-half times as much cod in the sea now than there was when we took over management of the fisheries.

In Scotia-Fundy, lobster landings have more tripled, from 5,133 tonnes in 1978 to 15,335 tonnes in 1987. The landed value of lobster increased more than five times, from $28 million in 1983 to $143 million in 1988. In the scallop industry, which is again showing strong returns this year, it looks like this year's catch will exceed last year's record levels and there are still three months of fishing left.

This year's bluefin tuna fishery in Atlantic Canada has turned into a bumper year. Our inshore fishermen have landed nearly $10 million worth of tuna since the middle of August. We, for the first time in memory, will use the full Canadian quota. Canada is developing a name for itself as a supplier of high-quality tuna to the international marketplace.

The success has not been limited to one coast alone. In the Pacific we have had the largest sockeye salmon run this year, in 85 years. We have rebuilt the stocks in the herring fishery from 13,000 tonnes in 1986 to 35,000 tonnes today. For the continued growth of all our fisheries, we have instituted a national habitat policy, a model for the world to emulate, which provides certainty in the growth of the industry and a balance among competing interests for development. We have had ongoing success with our program of enterprise allocations and we are introducing individual vessel quotas on an experimental basis at the present time in Atlantic Canada.

Now I ask you, does all this not suggest something other than gross mismanagement as the opposition charges?

I want to take a few minutes here then to describe, in more detail, the current situation in the Atlantic fishery, a situation which is very complex and is not amenable to a quick fix, short-term approach which the hon. members opposite are wont to put forward.

The fact is that, based on our professional scientific assessments, we have been able to develop and enlarge the potential of the Atlantic fishery enormously. In recent years we have experienced very strong gains, but new factors and pressures, the wild cards, if you will, have had different effects on the Atlantic fishery.

These include the impact of technology on the resource; that is, the improved boats and techniques of fishermen and the capacity that is accumulated with that, and the real effect of a changing environment in the northwest Atlantic on the quality and the accuracy of our predicative techniques.

Combine this with the fact that healthy profits of the last two years have been eroded by global market changes, by shifts in exchange rates and by significant declines in prices, and you begin to understand the new context in which the fishery must be managed for the future.

This is the context, this ever-changing environment, the entire environment, markets, the resource base, the capacity, the technology, and the effect it has on people. It is this context, that of change, that we must manage.

We have taken already a number of important concrete steps. In the almost four years that I have been Minister of Fisheries, I have met close to three dozen times with my Atlantic fisheries colleagues. I meet regularly with industry and a host of advisory groups. We have availed ourselves of all the expertise and resources at our disposal to explore every dimension of this issue. We have brought initiatives forward which were endorsed at the First Ministers' Conference in November, 1986. I visited Atlantic Canada in the summer of 1986, as I do each summer. I walked the wharfs, went to see the fishermen, and witnessed a deterioration in the northern cod inshore fishery. So I took specific measures, starting in the summer of 1986, to change the fishing practices of the offshore fleet, to reduce quotas, to reduce the wastage by discards at sea, and to require observers on all domestic vessels fishing in that offshore fishery.

We went further. We appointed the independent Alverson Commission of eminent international scientists to review our own scientific methodology so that we might be sure we had it right. That, coupled with new enforcement initiatives, helicopter patrols and much increased fines under the Coastal Fisheries Protection Act, have all contributed to an updated and more effective means of assessing the northern cod stocks which are such an important and fundamental part of the Atlantic fishery. This gives some of the background to the problem that faces us today.

However, in light of declining quotas and changing world market conditions we have had to take additional measures. I want to describe four special initiatives we have taken. The first is the establishment of a special committee of senior ministers, chaired by the Secretary of State for External Affairs, to develop and co-ordinate the government's response on the state of the northern cod fishery and other Atlantic fisheries issues. Through this committee, cabinet is reviewing the adequacy of existing programs to help communities that might be affected by all the factors I have just described, and is poised to act quickly upon the solutions best suited to the task. I am pleased that my colleague, the Minister of Employment and Immigration and other members of that committee are coming up with some very interesting and innovative ideas as to how to deal with this. I will leave it to my colleague, the Minister of Employment and Immigration, to describe later today how we will address some of these social conditions and how we will look, over the next few months, to special assistance for the fishermen of the Newfoundland region, as we have done for areas within the fishery where important social assistance was required.

I recognize, as does this government, that from time to time there are problems in the fishery. Lord knows, that is the nature of my existence. There is not a new morning that dawns but what there are one or more new problems to be addressed. Some of these are large problems, some are smaller, and more localized. This government is addressing all these problems, working with the industry and all of those affected to provide appropriate solutions for fishermen and their families in fishing communities throughout Atlantic Canada. I assure them that the Prime Minister and all of the ministers of this government are deeply concerned. That is why the government is devoting significant resources to deal with the problem.

The Harris Panel, a second initiative on northern cod, is again examining all the scientific techniques used in the stock assessment process. By the end of the year, I look forward to receiving the final report of the Harris Panel, which will give us input to the quota-setting process for 1990.

Third, a Scotia-Fundy task force, which I recently established, is exploring all aspects of fishing and fish processing in the Scotia-Fundy area, where we have far too little added value. We are exporting too much raw fish, with the consent and encouragement, very often, of local government. We have to change that; we have to deal with the over-capacity in the Scotia-Fundy fishery. That is why I have asked for this special Scotia-Fundy task force to meet with fishermen, travel to communities, and report back to the special cabinet committee.

Finally, we have made foreign overfishing a government priority of the highest order, as reflected in the Throne Speech of last spring. Foreign overfishing in the Atlantic, on the nose and tail of the Grand Banks, and also foreign overfishing on the Pacific by the indiscriminate use of high seas drift nets threaten to endanger international high sea fish stocks on a global scale. It is this overfishing, which is wreaking havoc on the life cycle of the northwest Atlantic fishery. It is depleting the straddling stocks that live both within and beyond our jurisdiction.

• (1210)

The European community has abstained from supporting the quotas set out by the Northwest Atlantic Fisheries Organization, a voluntary international body that regulates fishing quotas, and will go ahead and set their own quotas outside Canada's 200-mile limit, if all Canadians do not stand up and express their outrage, as we have been doing in various forums, for the past six months.

I have travelled abroad, as have other ministers, in the United States and Europe, giving this message that we must halt this intolerable practice of overfishing Canadian groundfish stocks.

In the meetings of the OECD in July, the Prime Minister raised these overfishing problems directly and forcefully. A new campaign launched last week by my colleague, the Minister of International Trade, takes our case directly and forcefully to the European people, appealing to their sensitivity and concern for global environmental practices, which threaten the very future of the living resources on which we depend.

All these honest efforts to deal with the changing realities of the Atlantic fishery are proof of our concern and commitment to the well-being of our fishing communities and our resource, the backbone of the economy.

That is not all. We have added $3 million to our scientific program of stock assessment on northern cod, an increase of 80 per cent over last year. We will be providing additional funds for aerial surveillance and enforcement. I hope to have details forthcoming in a few weeks on the new surveillance program that we will be initiating on both coasts. As well, over the next few months, I will announce an aquaculture strategy which will bring a new dimension and untold benefit to the coastal regions of Canada.

We can talk about incompetence and mismanagement, but overfishing is not practised by the Government of Canada or ministers. It is practised by fishermen, whether foreign or Canadian. We must end this wastage of the resource and the inaccuracy it introduces to our scientific stock assessment process.

We must bring it under control by introducing amendments to the Fisheries Act which will significantly increase fines for infractions committed under our Canadian fisheries legislation. Fines, which are presently limited to $5,000, must be raised to more realistic levels commensurate with the magnitude of the benefit to be gained from crimes against the fishery.

I seek the co-operation of members on all sides of the House to support the speedy passage of this package of initiatives, which I hope to bring to the House soon.

I would like to take time to deal with the Pacific fishery and the recent free trade panel decision which Canada has not yet accepted. I see that my time is running to an end but I want to assure Canadians and members of this House that, first of all, we are examining this FTA panel report very carefully. We have never claimed it to be a victory. I do not know why the press and the opposition persist in using the word "victory" or "win" to describe it, although there is much editorial opinion to that effect.

The headline in *The Vancouver Province* yesterday stated that it is a net gain for Canada. *The Ottawa Citizen* yesterday stated, "Fish trade ruling pragmatic." Yesterday's *Montreal Gazette* said of the free trade panel ruling:

> Chalk up one success for the Canada–U.S. free trade deal—the panel decision, which is non–binding, seems to be a good one in principle. And there seems to be no reason to think Canada would have got a better deal from a GATT panel if the dispute had been resolved there.

I am not coming to that conclusion. We have taken note of the facts and the decision of the free trade panel on which three of the five members were Canadians. The sovereignty of Canada takes precedence over all other factors in terms of ensuring that we have the scientific data, the necessary information, biological information, weight and size information which we must use as a basis for managing the fishery.

Therefore, in establishing whether or not some quantity of fish might be allowed to be exported by sea, the Minister of Fisheries, under Canadian fisheries legislation, will have the final say to ensure that all means of transport, all means of taking fish from our fishing grounds are subject to full management control in accordance with our scientific objectives. That was the purpose of the new landing requirements that we brought into effect last May, I believe, it was. Those regulations were brought in to replace discriminatory protectionist measures restricting the export of unprocessed salmon and herring which were found unacceptable by the international General Agreement on Trade and Tariffs council because they gave Canada protection that our American neighbours did not enjoy. We have dismantled those regulations, because as a fish exporting nation, our markets must remain open. Eighty per cent of our fisheries production goes into international markets. For members to suggest trade restriction or protectionist practices as the way to protect jobs in Canada is to ignore the fact that those jobs are never secure unless the markets to which the fish is destined remain open.

Mr. Baker: Madam Speaker, I have one question for the Minister of Fisheries. It relates to what he was talking about, quotas and Canadian jurisdiction.

National Sea Products recently came to this government, because this government is a shareholder in that company, and said that they were soon going to announce the closure of two more fish plants, one in Newfoundland and one in Cape Breton, because of reduced quotas. Those fish plants would likely be either Canso or Louisburg. They also said that if it were Canso, it would mean the loss of 700 jobs inside the plant, plus eight trawlers tied up. In the case of St. John's, Newfoundland, the other plant mentioned, 450 inshore workers would lose their jobs and several trawlers tied up in Newfoundland.

How can the minister allow a reduction in quotas to these Canadian companies, with announcements coming of more lay–offs in the fisheries in Newfoundland and in Nova Scotia, when he has allotted to the Japanese 3,000 metric tonnes of red fish inside our 200–mile zone right now; 5,000 metric tonnes of halibut inside our our 200–mile zone right now; and, for the Russians, cod inside our 200–mile zone right now—red fish and halibut to 12,000 metric tonnes. That is 20,000 metric tonnes of fish, the very fish that is processed in those two plants in St. John's, and in Canso. Why does the minister not kick the foreigners out of our waters instead of kicking Canadians out of their jobs?

Mr. Siddon: Madam Speaker, I appreciate the drama in his question. That is the member's style. But he has a clever way of manipulating numbers to his own advantage.

I think the hon. member knows, but probably would not want to tell the House himself, that we do not make any stocks available to foreign fishing vessels within our 200–mile economic limit, unless they are surplus to the requirements of the Canadian industry, whether it be inshore or offshore. Now hold your seat, my friend. We do not make non–surplus stocks available. Canadian fishing companies always have first option to access those stocks.

The only fishery by foreign vessels within Canadian waters is for surplus fish that the Canadian companies, the Canadian fishermen, the Canadian markets, and our export markets are not interested in. I want to point out to the hon. member who sat as a member of a government for several years that ignored the problem of foreign fishing in our zone, that, in fact, his government allowed the European Community to harvest 10,000 tonnes of prime cod stocks and other prime groundfish stocks in our waters and allowed the French fleet to fish within the Gulf of St. Lawrence to a level of 17,000 tonnes over and above the needs of St. Pierre and Miquelon. We have ended those practices. We have eliminated the 17,000 tonnes of fishing by the French metropolitan fleet and we have removed all fishing by European nations from within our waters on the non–

surplus stocks, which are necessary for our own fishing fleets.

• (1220)

The Hon. Member knows that. I wish he would stop alarming the people of his area by suggesting that somehow foreign overfishing is the heart of the problem within the 200-mile zone. We have fixed that. We brought in helicopter surveillance. We brought in fines up to $750,000 for offences by foreign vessels within our waters. The Liberal government did not have the courage to do that. We ended the long-term agreement with the European community. We ended the agreement that the Liberals had perpetuated from 1972 allowing the French trawlers within our waters. We have found a means of solving once and for all the boundary problem around St. Pierre and Miquelon which will bring untold benefit, when it is finally resolved, to the fishermen of Newfoundland. The hon. member has the gall to get up and condemn this government when it was the Liberal government that caused these problems.

Mr. Friesen: Madam Speaker, the minister spent a fair amount of time talking about the management of the resource which is at the heart of a healthy industry, if we have the capacity to manage the resource in perpetuity. I wonder if he would tell the House how the recent judgment made by the FTA panel enables Canada to protect the jobs of Canadians and manage the resource in such a way that in perpetuity we will have a resource that we can count on for Canadian jobs. He might also want to comment on the virtue of an export tax on the product.

Mr. Siddon: Madam Speaker, there is some confusion about the purpose for which the new landing requirements were introduced earlier this year. For many years there was an export restriction on unprocessed sockeye and pink salmon and herring from the west coast of Canada, but no such restriction on the other species of salmon, chinook, the coho and the chum species. These are very important, not only to our commercial fishery on the west coast, but they are a prized fish within the five species of salmon. This is also a very important sport fishery, and a recreational interest to Canadians.

In March 1987, Canada accepted the findings of the GATT panel that the old export restrictions gave Canada certain protection which was not in the nature of a fair-trade practice. We removed those and brought in last May, new requirements that all salmon and herring caught on the Pacific coast be landed at registered landing stations to be counted, graded, weighed, and sampled from a biological perspective so that we would have more effective control. We need good records and accurate information on which to base the scientific estimates and the establishment of quotas.

This set of landing regulations has been upheld with a slight modification in recognition of the paramountcy of Canada in deciding the way in which we should regulate the export of our fish. This relates to the possibility of some fishermen taking their fish directly to U.S. processing ports, rather than bringing it to shore in Canada first. The panel report found that a small proportion of the fish might be allowed to be shipped directly, as is often done in Atlantic Canada. That has been done with other species on the Pacific coast. We oppose the notion that we should not have control of 100 per cent of the species landed. The FTA panel agreed with Canada's position that a state could not be obliged to make its fisheries conservation and management regime dependent on co-operation with another state.

That overrides and gives to the Minister of Fisheries the authority to be the final say as to whether any fish should be allowed to be shipped by sea. I can assure this House of our interest in conservation and long-term stable management of the salmon resource, which we built up to record levels of production from a very low point in 1913 when we had a great slide on the Fraser Canyon. We will use the powers of the Fisheries Act, the Fish Inspection Act, and the Coastal Fisheries Protection Act to ensure that the resource is well managed by having full access to the necessary scientific information no matter what means of transport when fish is sold from Canada.

I should point out that many experts and some representatives of the Pacific coast fishing industry welcome this decision because it gives them a choice as fishermen to get the highest price for their fish. They are not forced to sell to a cartel of a certain small number of processing plants in Canada. A very prominent former Royal commissioner and candidate for the Liberal Party said only yesterday, and I would like to quote Dr. Peter

Pearse: "Fishermen should be allowed to sell their catch wherever they can get the highest price. If fishermen can get more value out of them and pay a higher price than domestic processors we won't get the maximum value out of the fish by processing them at home."

In answer to my hon. colleague from Surrey—White Rock, I just want to say that we are confident that the panel report—I am not in any way fettering the powers of Canada and the Minister of Fisheries—is going to prove, if we accept it, to be an improvement, notwithstanding the fact that we would prefer to have 100 per cent landing of our fish at Canadian ports.

Mr. David D. Stupich (Nanaimo—Cowichan): Madam Speaker, I shall start with a question which the minister in his good time may answer. I think the minister would agree that what the panel really decided was that our regulations. as they now stand, are contrary to the free trade act regulations.

If we want to submit a new regulation it would then have to go through the process again. If we said we need 95 per cent or 90 per cent or even 60 per cent to manage the resource, that would have to be again adjudicated to see whether or not they agreed this was a proper percentage. In all likelihood there would be different people on the panel. I do not think we are in a very safe position having the minister read from the body of the report. It is the recommendation or conclusion of the report that counts, not the discussion in the body of the report. I have read the report, and the conclusion as well.

I take no pleasure at all in supporting the Liberal Party's motion at this time—more in sorrow than in trying to get political advantage from criticizing. I have been personally aware, having lived on the west coast in Nanaimo all my life, of mismanagement, lack of leadership, incompetence, and negligence with respect to the fishing industry for the last 50 years of my life. Not only has it placed the Canadian fishing communities in unparalleled jeopardy, but it threatens the long-term protection of an invaluable sustainable resource.

It is not something that has been done deliberately or through lack of knowledge, but rather often through use of the wrong knowledge. I can recall some 40 years ago when I discussed with a fisherman on the west coast advice coming from the Department of Fisheries and Oceans to the effect that herring was totally unlimited. It was impossible to overfish that resource. And the fishermen knew better. They were warning these officials that they were taking too much herring out of the water. Of course the officials, the experts, knew better. I think it was just three years after that before they had to impose controls because they were seriously depleting the herring resource.

• (1230)

The minister quoted examples this morning of individual successes and said, "Doesn't this prove that there has been proper management in the last five years". The minister knows better than that. If there is proper management, it had to go back more than five years in order to rebuild some of the runs that were so seriously damaged, at least on the west coast. It goes back a lot further than that.

Nevertheless, using as examples a few successes and omitting to mention all of the failures makes me wonder whether it is good luck or good management. The minister, for example, did not mention the serious depletion of the halibut resources on the west coast, and I have heard halibut resources on the east coast talked about here. He has not mentioned serious depletions of other species on the west coast where I understand his own ministry is likely to impose total closure for at least one year, and I am not sure how many more years. That is not known yet, as I understand. We will wait until that happens.

There is serious depletion of some species on the west coast and there certainly is on the east coast. I was at Lockeport. I took the time to go there and listen to some of those people who have lost their jobs. Twenty odd million dollars of provincial and federal money was put in that processing plant which was closed down through lack of product at the same time as we are shipping roundfish to the States and, as the other members have told us about, to Europe as well. Fishermen are coming over and taking it.

The minister has said that we must get together and continue to express our outrage internationally at what is happening to our fish stocks. Those expressions of outrage, along with 80 cents, will get you a cup of coffee in the parliamentary cafeteria. That is about all it has achieved to date. We have not achieved any co-operation

internationally in looking after our very valuable resource.

To come perhaps a little more up to date with respect to what has happened recently, the minister said that Canada accepted the GATT ruling in March of 1987. I believe he would like to make that March of 1988. I do not think I have his attention right now, but it was actually in March of 1988 rather than 1987 that Canada accepted the GATT ruling.

It was in April of 1986 that the American fish processors first complained about Canada's actions which affect the fisheries, the fact that we were not allowing the export of our product and yet we were importing some of their product. At the time, it was calculated if it were reduced to dollars, the total claim for damage would be in the neighbourhood of $3 million.

In September of 1986, American trade negotiators complained to GATT. In November of 1987, a GATT panel upheld the American complaint and referred it to the full GATT council.

The minister took this seriously because in the same month, the same minister is quoted in *Hansard* as saying that many members of GATT use export controls to ensure adequate supply of raw materials for their own domestic industries. He believed and speculated that representatives of nations who sat on the GATT panel used such export controls, and what we have here is a panel recommendation which will, in all likelihood, be overturned by the GATT council of which we are a member. We will be opposing that recommendation when it reaches the GATT council.

I can find nothing that tells me that the minister and the government did actually oppose those recommendations at the GATT council. Perhaps I can be corrected on that. I would hope that the minister can assure me that Canada did actually protest it. As I say, to the best of my knowledge, I have seen nothing to that effect.

It would appear as though Canada decided to roll over and play dead with respect to the GATT decision. We could have objected. We could have vetoed it, but we decided to accept it because we had a solution.

Before the final ruling of the GATT council in March of 1988 supposed to do everything to protect Canada. If it was going to protect Canada, it had to hurt the United States, and you know very well that the United States was not in it to get hurt. It was in it to get even. Getting even was its goal and getting even is what it has achieved.

In any case, on March 21, 1988, the same minister and the then Minister for International Trade announced that Canada will not veto the GATT ruling. The GATT council accepted the panel report on March 21, 1988. I have the minister's attention now, I think. Earlier he said March of 1987.

On April 25, 1989, under U.S. pressure to abandon the processing requirements for B.C., the Minister for International Trade ignored the recommendations of the fishing industry working group representing all sectors of the B.C. industry and announced that the government will proceed with a landing requirement for B.C. salmon and herring. All the new regulations require that fish be brought to shore at a licensed landing station before they can be exported unprocessed.

I said earlier that the extent of the damage with respect to the first complaint was calculated to be some $3 million. We are talking about an industry with gross revenues, three years ago—and the minister himself has said that this is a record year in the past nine decades—of $747 million. That was in 1986. We do not have the figures for 1989, but they have to be over $1 billion. We are talking about a big industry; $573 million of $747 million is generated by export sales, a very important industry from the point of view of exports. If we are looking at a $3 million penalty, it would be very easy to swallow to maintain the long-term future of such an industry. It had an annual payroll, again three years ago, of $125 million; $79 million paid annually in taxes. It is important that we do maintain this industry. Employment is important, but the long range perpetuation of the resource is of even greater importance. It is the fourth largest industry in B.C.

When it comes to employment, I think it is significant that most of the employees in the processing industry are women, many of whom are native women or members of visible minorities.

The processing requirements, the industry argues, the union argue, and the opposition generally argues, were necessary to ensure proper conservation and management of the fish stocks. It is impossible to accomplish

that if the product, the roundfish, is sold to U.S. processors.

The minister talked about the free trade panel upholding our sovereignty. As I suggested yesterday, I did not know that our sovereignty was under question, but obviously it is. The answer is, yes, we are a sovereign nation, as long as we let the Americans tell us what proportion of our product should be exported in round.

Mr. Siddon: There were three Canadians on that panel.

Mr. Stupich: I am told that there were three Canadians on the panel.

It is also important, since the member raised that question, that Canada could have asked for further hearings with the passing of one of the Canadian members of that panel and his replacement with another member, to hear additional evidence which was accumulated since that time. There was a strike and we had certain information. Canada chose not to ask for those additional hearings. We let it go through.

I have yet to see a copy of the preliminary report. All I have seen is the American summary of it in *Inside U.S. Trade*, which was published September 15, the day the report was first talked about up here, and the day I was criticized for making it public. The Minister was not reading, the government was not reading, they did not know it was in the public papers. However, we found out by reading public papers what the preliminary report was. We have yet to see a copy of it. I assume it is similar, if not the same, because no one has suggested there have been any changes. We could have tried to get changes, but we chose not to. Presumably, the minister or his ministry, or somebody, must have some kind of solution in mind. The solution is not to let the Americans tell us what proportion of the fish can be sold over the side of the boat to other boats, to other processors.

The landing requirements refer to all five species of salmon. I have seen one figure that we are talking about, possibly some 1,200 separate runs of salmon up the—

Mr. Siddon: It is 4,500.

Mr. Stupich: The minister says it is 4,500. I am glad to have the figure. I was looking for it and I could not even find the 1,200 figure this morning. There are 4,500 runs of salmon that do not all go up the rivers the same day. They go in different periods. If you are going to get sufficient escapement of each of those 4,500 runs, you have to make sure that that is happening on a day-to-day basis. We know what fish are being landed in British Columbia promptly. Even before they are landed, we know what is happening. We know where the B.C. fishermen are landing. We know the figures and the species. We do not know the runs, we cannot identify them, except that we know what days they are coming.

• (1240)

We will not have that kind of knowledge even if everybody plays fair. I have seen a suggestion in one of the papers this morning from one of the processing industry people asking how we can keep track of individual sales from a fish boat to an American packer if we do not bother to keep records, if they forget to tell somebody that they caught these fish and do not bother to say where they got them from, how many they caught, and what species they were. If we do not get that information, we cannot keep track of it.

How are we going to know early in the fishing season how much is going to be 20 per cent? If the minister had estimated at the beginning of the 1989 fishing season—and I think he has already said that that is the best sockeye run in some 84 or 87 years—what 20 per cent would be he would have been 100 per cent out because that much more sockeye showed up than he expected, so there would have been only 10 per cent, which is better for us.

But suppose the estimates were the other way around. Suppose they were only half as many came back as were expected. It would have meant a serious depletion of the early runs to the extent that they could have been so weakened that they would have been wiped out. That is serious. We have no idea when each one of the 4,500 runs is going to go up the rivers and which river each one is going up. We have no idea unless we are keeping track of those fish on a day-to-day basis.

It is important for conservation that we have that control. There is a solution. Both the industry and the union are proposing the same solution, namely, that we insist on landing 100 per cent of our salmon in B.C. Let us negotiate the penalty. There would be a penalty because it is going to cost the American processors—if they want to buy 10 per cent or 11 per cent of our fish, even up to 20 per cent—a couple of cents a pound to truck those fish from our landing stations down to their processing stations. It is very little per fish, very little for

10 per cent of the total cash, when you look at an industry that this year was worth over $1 billion.

The minister and his department have now had 34 days because they had the preliminary report. They must have had it on the same day as U.S. *Inside Trade* printed it, or earlier.

Mr. Siddon: You are assuming it is the same.

Mr. Stupich: The minister interjects by saying I am assuming it is the same. In light of his lack of any comments to the contrary up to this point and in light of the fact that the government did not ask for any further hearings even though there was a new member on the panel, I think it is a fairly safe assumption. If the minister cares to tell me that it is not the same, I will not accept that. If he says it is not similar, then I would be pleased to hear it. I would like to hear what the differences are. Maybe we can approach *Inside U.S. Trade* and ask for a copy of the preliminary report on which it based this summary so we will know exactly what was in it. We seem to have precious little luck in trying to get it out of any government circle here in Ottawa.

I will admit we got the final one. We could not find out when we were going to get it, how we were going to get it, or where we were going to get it but we were told it would be released on Monday. That was as much as we could get.

Although the press got copies of the press release from the trade minister's office and from the Minister of Fisheries' office, we had a great deal of difficulty even getting a copy of that press release. We finally got one by fax from a member of the press gallery. There are ways of getting these things if one works at it hard enough.

Employment is important. As I said, there are mainly women in the processing industry, mainly native workers and visible minorities, immigrant women or second generation immigrant women. The government talks about all the jobs that are being created by free trade. I am talking about some 15,000 part-time jobs in the height of the season that could be lost. This is the beginning.

If the Americans say they will let us limit the export to 10 per cent of roundfish this year, what is to stop them from coming back next year and saying it has to be 15, and year by year changing it? Nothing at all. There is nothing in the deal. We are not signing a contract that it is going to be 10, 11 or 12 per cent, or whatever figure, from now until the end of the free trade agreement. We are simply saying that for today that is the rule. There is nothing stopping them from changing that.

It could mean wiping out the fishing and the processing industries in B.C. and the subsequent loss of all those jobs. All the jobs that free trade creates, such as making and serving coffee in the tourism industry, is not going to help the people in the communities that are going to be totally shut down because fishing is the only source of employment in those communities. It is a serious matter.

The government has, up to this point, abandoned the fishing industry on the west coast. It made a deal for the east coast. That deal, as I think I said yesterday, is not worth the paper it is written on. That deal will not stand up long under attack if the Americans decide to go after it.

There is a solution, and I have pointed out the details of that solution. The minister acknowledged that he was aware of that solution. He knows that the industry supports it and he knows that the union supports it officially, because he was nodding as I was describing the possible way to resolve the situation, a way that would maintain employment. The minister has said in the past that it is important to maintain historic jobs, I think were his words. Another time he said he did not mean the same jobs. He said he would not allow jobs historically established to be threatened.

I do not know what other kinds of jobs there could be other than the jobs in the processing industry which have been historically established. The minister made it quite clear that what he had in mind was preserving the historically established jobs. He can do that with the solution I described.

Even with every possible control, even by catching every fish and knowing exactly what run each one comes from, we still cannot be perfect, but at least we will know how many fish come back in a season. We can ensure the optimum escapement on a day-to-day basis if we know what is happening on a day-to-day basis. The only way

we can know that is by insisting that 100 per cent of our resource is caught and landed in British Columbia so that we can count it, identify it and grade it. Then we will know.

I am concerned, as I have said, and as the Leader of the New Democratic Party has said, that it is not just fish. If the Americans say that they have access to our fish resource, that we cannot deny them the right to come into this country and buy them, how can we possibly maintain our position with respect to round logs? How can Ontario possibly retain its position with respect to mineral ores which the province of Ontario now says have to be processed to some extent before they are shipped out? This is one renewable resource, and certainly B.C. timber and timber from other provinces is another. Are they not in as much jeopardy as are the fish resources, particularly on the west coast and eventually the east coast, if we accept this meekly?

I urge the minister to accept the solution proposed by the fisheries industry council and by the fishermen's union.

Mr. Friesen: Madam Speaker, while I enjoyed listening to the member from Nanaimo, I do have a few comments I would like to make, and perhaps I will ask a question or two. First of all, he pointed out that it was mainly minorities and women who worked in fish canneries, as though there was something wrong with working in a fish cannery in the first place and they had been relegated to second class status.

Some Hon. Members: Shame!

Mr. Friesen: Here is the noble NDP shouting us down again. I remember that when I worked in fish canneries, the people working there were mainly from minorities. I was one of those who was from a minority group working in the fish cannery.

I noticed that the hon. member said the government should treat this decision on the FTA with caution. At the same time, the minister is criticized for saying that there are 30 days in which to make a decision. Now, the member cannot have it both ways. He cannot say decide today, but be cautious. We can count on it, for sure, that if the minister made a decision today, he would be criticized for not being cautious, for being hasty. Somehow, the member wants it both ways.

Well, now the NDP are taking coaching lessons from the hon. member from Newfoundland. It needs all the help it can get, even from the member from Newfoundland.

• (1250)

Mr. Blackburn (Brant): Even from where?

Mr. Friesen: From this member here, the member from Newfoundland. What is his riding?

Mr. Simmons: Which one?

Mr. Friesen: He represents all of Newfoundland.

The other thing that I want to talk about is the member's oversimplification of the change that has taken place in the industry. He pointed out that he grew up in British Columbia as I did. He has lived there a little longer than I have. I hope to catch up to him some day if normal events take their course.

He pointed out that in the early days of fishing, there was unlimited access to the resource. You could pretty well go fishing at will. I remember those days when the fishing industry was shut down mainly on weekends. The rest of the time it was open. I remember the days when you could pretty well on a Monday walk across the Fraser River on the gillnetters that were fishing the river at that time.

I guess he is suggesting that because you could fish constantly 50 years ago and you cannot fish constantly today that somehow there has been a depletion of the resource and that is a sign of mismanagement. If he will do only one thing and that is check the tonnage figures of the total catch of the 1930s and 1940s and compare them with the figures for the 1970s and 1980s, I think the member from Nanaimo will agree that there has been a steady progression in the increase of tonnage. Just because there is not constant and daily fishing and it is not open season in the fishing industry does not mean that the resource has been depleted. Maybe it is a sign of careful management rather than depletion.

For example, does he not agree that there has been a change in technology? In the days that he harkens to of the 1930s and 1940s in the fishing industry, fishing was restricted mostly to gillnetters of about 30 feet long. There was no sonar, there was no radar, there was no radio to speak of, none of the high technology. There were no seiners out there, no trollers out there of any size or consequence.

Today, the fish do not stand a chance when you have the kind of technology that can track them all over the place. There has been a change in technology on the fishing side of it. There has also been a change in technology on the processing and marketing side of it. In the days when he and I worked in the industry, it was all canning.

Mr. Tobin: Question!

Mr. Friesen: It doesn't have to be a question, it could be comments.

Mr. Simmons: Well, get to either one or the other.

Mr. Friesen: In those days, it had to be canned immediately. Today, if the processing plants cannot keep up with the catch coming into port, they can freeze it and can it a little later on, as we saw on television the other night when the worker was interviewed regarding her opinion on the FTA decision.

There is also a different market where the fish are quick frozen today and then flown to Europe. The whole industry has changed.

I would like to ask the member if he does not accept the notion that maybe he oversimplified the problem by saying that just because things today are not the way they used to be, there has been a depletion of the resource and a mismanagement of the resource. Would he not accept the fact that the increase in total tonnage that we have seen is a result of the successful management begun in the government previous to ours in the Salmonid Enhancement Program and enhanced by this Minister of Fisheries when he doubled investment in the Salmonid Enhancement Program several years ago? He doubled the commitment to make sure of the future of the resource. Would he not kindly agree that he oversimplified the case when he spoke earlier?

Mr. Stupich: Madam Speaker, I was afraid that the member would not leave me any time at all for a response.

First, with respect to women working in the canneries, either I was not speaking clearly or the member was not listening, but my point was that in the small communities that I said were going to closed down totally without these small canneries and I know that they are closing anyway, there are mainly women working in them because that is the only opportunity for employment for people in those communities. It is not a case of demeaning the role that they are playing.

With respect to my advising caution, I do not recall using that word. I did suggest to the minister what the Canadian reaction should be, but I would say to the member that it is not three days that have gone by, the minister has had the report in his hand for 36 days, and there are only 26 days left.

With respect to depletion of resources, the point that I was trying to make, and again I think the member may have been distracted, is that there has been an increase with some species. There has been a serious diminishment in the quantity of the resource for many other species. Can you say that we are good managers of some species because they happen to be the ones that have increased, and say that we are good managers of the others that are being wiped out? Would the member say that maybe there was some good fortune? Also, the member knows that there was a serious incident on the Fraser River that has taken quite some time, the most important run of all.

Yes, there has been good management. I accepted that. I mentioned that, but I said that in some instances, unfortunately we rely on the opinion of experts who do not always know and who do not, at least in my experience, listen to the fishermen who are out there.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Madam Speaker, my colleagues on the other side of the House, my colleague on this side of the House and the member who just spoke have been focusing on the situation on the west coast.

One of the reasons we in this party put down the motion in the name of the hon. member for Beauséjour, the fisheries critic for the official opposition, was that we have been alarmed by an attitude of the minister of fisheries who insists on telling us that the fishery is in great shape, the catch has been bountiful, profits have been high.

I want to tell the minister of fisheries, who is in the House, that in my riding of Humber—St. Barbe—Baie Verte, on the Baie Verte Peninsula, and in the Bay of Islands area, the entire west coast of the province, there are 1,200 fishermen this year who have found the fishery so poor that they have not even earned enough insurable weeks of earnings to qualify for unemployment insurance. When we have asked, for a response program for those primary producers, the same as the government has, rightly and with our applause, responded to the

plight of primary producers called farmers, so far, all we have heard is that the fishery is in good shape.

Not in anger but in desperation, I take this opportunity to say to the minister that these people are in desperate shape. He knows they cannot qualify for unemployment insurance, until November 15. He knows that the social welfare program does not kick in until the end of that qualifying period, and he knows that right now there is a shortage of bread and butter on the table. That is not an exaggeration.

I use this opportunity to ask the minister of fisheries to get together with the Minister of Employment and Immigration to give us this year a response to a desperate human plight, a response that cannot wait until a week or two before Christmas, one that needs to be dealt with now. I make that plea in the name of all of those fishermen, and fish plant workers, primarily women, who today have no income and no prospect of income as we enter the Christmas season, until some time perhaps nearing the new year. Let us not leave them hanging high and dry, hungry and cold again this year, please.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Order. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

COMMITTEE SYSTEM

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, yesterday afternoon there was a legislative committee meeting to study Bill C-13. This bill aims to privatize two crown corporations, Nordion International and Theratronics International which produce products that relate to the treatment of cancer. During this meeting we had yet another example of the dictatorial attitude of this government and its obvious interference with the committee system of the House of Commons.

Following the meeting the committee went in camera to discuss the agenda for future meetings. At a previous meeting it was agreed that each party would submit a list of witnesses and from these lists we would put together a program for the future. My office had made many calls to line up possible witnesses, such as the Canadian Cancer Society.

Shortly into this steering committee meeting the conservative member for Louis—Hebert abruptly moved a motion that no further witnesses be called and that the committee report back to the House by Friday. This act by the government destroys the committee system of this Parliament and clearly indicates that we have an executive type of government and not a Parliament that is allowed to function in the interests of Canadians.

This government does not care about the democratic process because it does not know how to manage power in a democratic situation.

Recently we heard the Prime Minister make presidential style announcements from Los Angeles and the Far East instead of in this House of Commons. This Tory government has obviously decided that the parliamentary process is a nuisance to its dictatorial desires. The truth is that this Tory government has become a nuisance to the Canadian people.

Mr. Speaker: The Hon. Member's time has expired.

* * *

[*Translation*]

RADIO CANADA

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the Government has said many times that it is in favour of bilingualism in Canada.

Why does it not follow up the request of Northerners who want access to the CBC's French programming?

In the past several years, the Yukon Francophone Association and the Francophone Cultural Federation of the Northwest Territories have met the Secretary of State and the former President of the CBC on various occasions. They made a proposal to install and maintain affordable broadcasting services.

In 1987, the CRTC said that of all regions, the least well served, even in the CBC's opinion, is the North.

I ask the Minister to have the Government keep its promises for once.

* * *

POST-SECONDARY EDUCATION

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the time seems right to me, on the occasion of National Universities Week, sponsored by the Association of Universities and Colleges of Canada, to remember the importance of our post-secondary educational institutions in pursuing our goals of excellence.

If we want to remain competitive internationally, we will have to rely more and more on our valuable pool of talent just waiting to be put to use.

Mr. Speaker, we have everything it takes to build a strong, dynamic and prosperous country and I am convinced that the present Government will continue its efforts so that Canadians can have access to a post-secondary educational system based on excellence and equal opportunity.

In closing, let me wish all Abitibi—Témiscamingue university students good luck and happy studies. I strongly hope that one day they will be able to use their vast talents and abilities for the benefit of our great, beautiful region.

* * *

[*English*]

IMMIGRATION LEVELS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, the Minister of Employment and Immigration announced yesterday that Canada's immigration level for refugees would remain unchanged at 13,000. She increased the refugee quota for eastern Europe to 3,500 although she knows that most of the east Europeans accepted by Canada are not refugees but what the minister usually calls economic migrants. Yet for Latin America where human rights violations and death squads are escalating, the minister cut that quota from 3,400 to 3,000.

The Prime Minister's wife, while visiting a refugee camp in Asia, promised an increase in the refugee quota there which the Minister had already promised at Geneva. However, the Minister knows that labour unions, co-ops and church activists in Latin America who risk their lives coming to meet our visa officers are too often rejected as not being desirable immigrants or because the quota is filled. Therefore, they try to enter Canada to get a fairer hearing.

I call on the minister to increase the 1990 Latin America quota to 4,000 and the world quota to 15,000.

* * *

POLLUTION

Mr. Rex Crawford (Kent): Mr. Speaker, just one hour ago water intakes were reopened again by the town of Wallaceburg and Walpole Island First Nation, after yet another chemical spill into the St. Clair River.

I cannot begin to describe the frustration and anger felt by residents living downstream from Sarnia's chemical valley.

This government has abandoned us. A pipeline to bring clean water from Lake Huron was denied federal money. The Conservatives said: "It's not their problem".

It is ironic too that yesterday the Federal Court denied Walpole council's injunction to stop a dredging project.

Aided and abetted by the Ministers of Environment and Indian Affairs, the decision says economics outweigh environment and long term health.

A 150-foot dredge continues digging 24 hours a day then dumping 50,000 cubic metres of potentially hazardous sediment into Lake St. Clair.

In my riding we wonder where the federal government's priorities are as we wait in fear, held hostage to the constant threat of chemical spills, while this duly elected federal government says: "It's not their problem."

* * *

POLLUTION

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, for my riding of Sarnia-Lambton and others bordering the Great Lakes, the recent commitment of $125 million in new federal government funds to help clean up and preserve the Great Lakes is a much welcomed announcement.

The doubling of federal funds, I believe, constitutes an important step forward in our long-term effort to protect this vital ecosystem.

Today, the Great Lakes provide drinking water, recreation, and to a very significant extent, the economic underpinnings for some 35 million Canadians and Americans.

In the wake of this new action plan, there still remains much to do on many levels. Environmental issues and concerns are not simple problems which can be addressed unilaterally or through a single program or initiative.

While I do recognize that a lot of work has already been done at the provincial and municipal level, much more must be done. Certainly, both have an integral role to play in the upgrading of the current sewage treatment and drainage systems.

At the same time, I call on individual Canadians to actively participate in the clean-up initiative. They too have a vital role to play. Every one of us can and must make a better accounting of what type of waste and by-products we are discharging into the environment. For this to work, Canadians must be part of the solution, not the problem.

In the end, by all of us working together in a constructive and concerted fashion, I strongly believe that we can protect and upgrade our Great Lakes.

* * *

DROUGHT ASSISTANCE PROGRAM

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, the deadline for appeals under the Canadian Crop Drought Assistance Program has now passed and the producer review committees are looking at those appeals. There are more than 200 in the province of Saskatchewan alone.

The whole program is a farce and the rural municipalities across the prairies are being forced to carry the load for the federal government and they are now reacting.

Earlier this month, the rural municipality of Douglas in The Battlefords—Meadow Lake constituency passed a resolution critical of that program. I would like to read that into the record. It states: "That we express our dissatisfaction with the CCDAP because it does not recognize lands and producers that should receive assistance due to the actual drought, and it does allocate assistance to lands that do not individually qualify but by the fact that they just happen to fall within certain township boundaries. Furthermore, that the Producer Review Committees allow and allot adjustments of payments to farmers who appeal on an individual rather than a township basis, also that disclosure of past farm financial records be waived".

I call on other Saskatchewan rural municipalities to add their voices to the growing list of groups opposed to this very flawed program.

* * *

CO-OPERATIVES

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, this week we observe National Co-operative Week. The purpose of this annual event is to remind Canadians of the role co-operatives have played and continue to play on our society and our economy.

All together Canadian co-ops have some $70 billion in assets and conduct about $14 billion in annual business. Twelve million Canadians are members of one or more co-ops. Co-ops are good citizens. They are involved in such things as famine relief overseas and helping the needy at home.

Co-ops are major players in the grain trade, the dairy industry and the poultry sector. They are also involved in almost every other part of the economy from Inuit handicrafts to computer software.

• (1410)

Our government created the co-operative secretariat in 1987 to act as a focal point for the government's role in the sector. Then we set up the advisory committee that gives co-ops an opportunity to advise the government on the potential impact of government policies on co-operatives.

We have also set up an interdepartmental committee to ensure that all government departments are aware of the concerns of the co-op sector and to take them into account in drafting new policies.

I am sure I speak for all members of Parliament when I offer my best wishes to the Canadian co-op sector.

S. O. 31

[*Translation*]

LE VILLAGE QUÉBECOIS D'ANTAN

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, another successful season has just ended at *Le Village québécois d'antan*, an historic site in Drummondville, that gives us a taste of daily life in Quebec between 1840 and 1910. Now over ten years old, *Le Village* received 180,000 visitors in 1988-89. During the summer, when *Le Village* is open to the public, 102,000 tourists visited this centre which is unique in Quebec. This was 11 per cent more than last summer, with admission fees raising nearly $600,000 for *Le Village*.

Mr. Speaker, the charm and hospitality of *Le Village québécois d'antan* are a household word. Many Canadian, American and foreign directors come here to make film sequences. The success of this venture is due to the tireless dedication of a group of employees and volunteers, under the direction of Mr. Claude Verrier.

* * *

[*English*]

RIDEAU CARLETON RACEWAY

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, the Rideau Carleton Raceway which is located in Carleton—Gloucester, will close down if the federal government's goods and services tax is passed as proposed. That promise was made by Dr. Roly Armitage, the president and general manager of the race track.

We all know that horse racing is a popular recreation that attracts 200,000 fans a year at the Rideau Carleton Raceway alone, which employs over 250 persons and which encourages local industries.

The total annual net profit of all race tracks in Canada is $7.4 million, and the government is already taxing them $19.2 million, through a complicated taxing system.

[*Translation*]

The Government is about to sound the death knell for a sports activity that is popular in the Ottawa area and elsewhere in Canada. In doing so, it will destroy an entire agricultural industry.

[*English*]

POLLUTION OF THE SEAS

Mr. Jim Fulton (Skeena): Mr. Speaker, at noon yesterday in Copenhagen, representatives of the parliaments of 16 countries adopted a far-reaching document on the prevention of pollution of the seas.

Canada was represented by all parties in this House and we undertook to urge the Government of Canada to establish environmental protection as a priority, to strengthen our national efforts in the battles against marine pollution and to express this through legislated plans which contain short and long-term targets and timetables, including a goal of zero discharge of persistent and bio-accumulative pollutants; a free and public release of information on all point sources of pollution; to strengthen our co-operation within existing and developed conventions; to comply with the adopted recommendations of the Nordic Council's International Conference on Pollution of the Seas, which ended yesterday, including a demonstration of political will and the provision of economic funds to achieve these purposes.

At the urging of the Canadian all-party delegation, some eight amendments to the international document were accepted, including, for the first time, the protection of our fragile Arctic Ocean and seas.

* * *

BROCK UNIVERSITY ANNIVERSARY

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, as members of the House know, this is National Universities Week in Canada. Today, I would like to particularly congratulate Brock University of St. Catharines as it begins its twenty-fifth anniversary celebrations.

From its inception in 1964, Brock has contributed greatly to the educational, cultural and economic life of the Niagara Peninsula. Individuals associated with Brock can be found involving themselves in all aspects of life in our communities, helping them to become better places to live.

As they celebrate their silver anniversary, I congratulate President Terry White, students, faculty and staff, as they continue to make Brock University a cornerstone of our communities.

[*Translation*]

INTERNATIONAL SAVINGS AND CREDIT CO-OPERATIVE DAY

Mr. Gilles Bernier (Beauce): Mr. Speaker, today we celebrate international savings and credit co-operative day. Canada's credit unions go back to 1900, when Alphonse Desjardins founded the *Caisse populaire de Lévis* with 130 members. Since then, the *Fédération des caisses populaires* Desjardins has become Canada's sixth most important financial institution. It has over 4 million members and nearly $40 billion in assets.

Today, there are credit unions in every province and in almost all communities in this country. Each one is an independent agency that belongs to its members and is managed by them. In addition to their economic role, credit unions, like other co-operatives, play a vital social role in the communities they serve. Through the Co-operative Secretariat and the Interdepartmental Advisory Committee on Co-operatives, the Government works together with all co-operatives to ensure that its policies and programs do not have a negative impact on this sector. Congratulations and keep up the good work!

* * *

[*English*]

OFFICIAL LANGUAGES

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I stand today in accordance with Standing Order 31 to make an appeal to the Prime Minister to show some leadership and direction in reference to an issue which is having deep-rooted effects on the unity of our country. I am speaking, of course, of the French-English language issue.

On December 19, 1988, Mr. Mulroney said: "We showed leadership with Bill C-72 and the Meech Lake Accord."

As the Prime Minister knows, the Meech Lake Accord is now floundering in most parts of Canada. More and more Canadians feel that it is time the Prime Minister renewed his commitment and showed some renewed leadership.

I urge the Prime Minister to make an immediate appeal to the Premier of Quebec to protect the rights of minorities wherever they are and encourage Mr. Bourassa to introduce new legislation immediately which will be in keeping with the Supreme Court's decision and the Quebec Charter of Rights, before the effect that Bill 178 is having on the minds of many Canadians becomes irreversible.

* * *

COMMITTEE SYSTEM

Mr. Stan Keyes (Hamilton West): Mr. Speaker, as a member of the Standing Committee on Transport, my colleagues and I witnessed a startling abuse of the committee system on this very day. The Federation of Canadian Municipalities submitted that the Standing Committee travel this country to hear the views of Canadians on VIA Rail.

Well, a colleague of mine moved a motion that we do precisely that, travel the country. All this prompted a flurry of activity at the clerk's table as Conservative members, new bodies, whom I have never seen at a meeting of the committee and who have not heard a single scrap of evidence, sat in and ultimately defeated the motion.

While procedurally correct, Mr. Speaker, I submit that this action by some government members was morally irresponsible, and only demonstrates further that this government is doing what it wants and when it wants not giving Canadians their right, at the very least, to be heard.

* * *

SMALL BUSINESS JOB CREATION

Mr. Stan Wilbee (Delta): Mr. Speaker, since 1984, over 1.5 million new jobs have been created in Canada. The largest source of these new jobs has been the small business community. The government has recognized its contribution in several key ways. The lifetime capital gains exemption of $500,000 for investment in small business shares has been accelerated; RRSP regulations have been relaxed to allow more flexibility; government procurement policies are being revised to simplify the supplier registration process and to improve the participation of western and Atlantic firms.

The Ministry for International Trade is working hard to expand Canada's export markets, creating new and secure jobs in our export-driven economy. Tourism, one of the largest generators of small business jobs, is being promoted throughout the world by our government. The success of western diversification and the Atlantic Cana-

da Opportunities Agency cannot be overlooked in our efforts to develop small business.

The record is clear, 1.5 million new jobs and a healthy small business sector. Our policies are working, in every sense of the word.

ORAL QUESTION PERIOD

[*English*]

THE ATLANTIC REGION

Hon. William Rompkey (Labrador): Mr. Speaker, my question is for the Minister of Finance, now known in the Atlantic as "Mike, the spike," because he has driven the final nail into the container in which the Atlantic provinces are going to be shipped out.

The first nail was the complete mismanagement of the fish stocks leading to massive layoffs. The second nail was the wiping out of VIA Rail. The third nail was the gutting of the unemployment insurance system.

Isn't the policy of the government for the Atlantic area really a resettlement policy? Isn't the goods and services tax which will savage the economy of the Atlantic area just the last nail in the box in which the government is going to ship us out? In fact, isn't that the reason why Tory support has plummeted in the Atlantic provinces to 17 per cent while Liberal support has climbed to 61 per cent?

• (1420)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am obviously concerned about the economy in Atlantic Canada, as we all are on this side of the House. But I do not think it serves anybody any useful purpose to listen to the types of exaggeration that the hon. member has mentioned here.

We have brought about some changes in our fiscal policy because of the very important concern that we, and many, many Canadians have about the size of our deficit and the size of our government debt. We must get this under control and we are trying to do this in the most balanced way possible.

If the hon. member is honest with himself, he will see that the application of the changes to VIA Rail, unemployment insurance, and the goods and services tax as well, the impact is either greater in the negative sense in other parts of the country, or more positive in Atlantic Canada—in the case of the goods and services—than is the case with Ontario and Quebec. Atlantic Canada will benefit more from the goods and services tax introduction than will the provinces of Ontario and Quebec.

* * *

PROPOSED GOODS AND SERVICES TAX

Hon. William Rompkey (Labrador): Mr. Speaker, the people of the Atlantic do not believe that and neither do they believe the models that are being used. They are inaccurate and they do not apply to the regions of this country.

I have a question for the Minister of Finance. Why is it that he has called the Newfoundland Minister of Finance deceitful when he suggested that Newfoundland would have to raise its sales tax to 25 per cent from 12 per cent? The federal minister says he is deceitful, just playing politics. Of course, that is the same attitude of the chairman of the finance committee now known in Newfoundland as"Chairman Blaggard" who said that it was not worthwhile going to the Atlantic in the first place.

Mr. Speaker: Perhaps the hon. member could put his question.

Mr. Rompkey: They are spending two and a half hours in each province. The Conservative members on the committee have been called rude, ignorant, belligerent. Instead of calling the Newfoundland Minister of Finance deceitful—

Mr. Speaker: The Hon. Minister.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think I used that adjective in anything that I said about the Newfoundland Minister of Finance. What I did say is that I think that it is quite wrong for him to suggest that the sales tax rate has to go to 26 per cent in the province of Newfoundland simply because of the goods and services tax.

The numbers that we have on the impact of the goods and services tax on the provinces will be positive to their fiscal position. I say it is quite wrong for any province to say that it going to have to increase its sales tax because of the introduction of the goods and services tax. I suggested in the House that if the hon. member from

Newfoundland wished to discuss this with me, if he has any questions I would be happy to talk to him.

Mr. Rompkey: Mr. Speaker, 12 and 9 in any mathematics comes to 21, as far as I am concerned.

Groups from the Atlantic have pointed out that the goods and services tax in our area will actually be 10 per cent because we buy everything we get from central Canada and we have to transport it over long distances. In P.E.I. it will be disastrous for the tourism industry and the potato industry.

I want to ask the minister again, will he listen to this final cry from the Atlantic provinces, and will he now do away with this goods and services tax which will destroy an already crippled economy?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think it is quite clear that this government is committed to moving ahead with a change in the sales tax system in this country. We are doing something that has waited for many, many years to do.

The Minister of Finance in 1981, who sits in the other place now, tried to make a change. It did not work. The change did not work, but this change is a change that is consistent with what is being done in 48 other countries.

I want to just draw to the hon. member's attention that he said this would be disastrous for the potato industry. We had the Nova Scotia Federation of Agriculture saying, when asked by a Liberal member if it wanted the government to scrap the GST, "No, absolutely not, then we would be stuck with the existing manufacturers' sales tax. We think that the GST will be good for Canada".

Mr. Rompkey: That's not what they said in P.E.I.

Mr. Wilson (Etobicoke Centre): I raise that point because the impact on the agricultural sector I think is a positive impact whether it is Nova Scotia, Prince Edward Island, Saskatchewan or Ontario. It is important that we do not put out misleading information when clearly many people in the agricultural sector say that moving from the old tax to the new tax is a good thing for Canada.

SOUTH AFRICAN FOREIGN DEBT

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, on my way in to Question Period I received a wire that says that South Africa has reached an agreement with western banks to reschedule part of its foreign debt, a deal that frustrates plans by Commonwealth leaders to try to influence that rescheduling and increase economic pressure for apartheid reform in the country.

Zambian President Kaunda called the banks "bloodsuckers". Our Prime Minister said that South Africa's economic problems have not ended. "The best is still there. It has to be paid for and has to be financed."

My question is for the Deputy Prime Minister. To what extent were our Prime Minister and the Canadian banks involved in the rescheduling of this $20 billion debt of South Africa, of which we picked up $8 billion, while at the same time saying that sanctions work?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, first of all, I can inform the Hon. Member that the measures taken by the Commonwealth in 1985 have had a snowball effect. Other countries have also started enforcing sanctions against South Africa. We are on the right track. Although there are still some mechanisms that prevent apartheid from being dismantled, I think there are some promising signs in South Africa. However, we will continue to enforce sanctions until apartheid is completely dismantled, and that is a promise, Mr. Speaker.

[*English*]

Mr. Flis: Mr. Speaker, Canada is being embarrassed at the Commonwealth Conference because of contradictory statements made by the Prime Minister and the Secretary of State for External Affairs.

The Secretary of State says that further sanctions on South Africa at this time will not have any effect. Then we have the Prime Minister saying that it is because of sanctions that changes seem to be taking place.

What is the government's position on sanctions? Do they work or don't they? If they do, why has the government chosen at this time, when there is pressure on the South African economy, to freeze further sanctions?

Mrs. Landry: Mr. Speaker, this government has only one position. It will keep putting pressure on until apartheid is dismantled. That is our position.

I would like to quote from statements that were made by the Hon. Secretary of State for External Affairs yesterday in the Commonwealth meeting. He is referring to his meeting with Rev. Alan Boesack and he stated:

"Because there have been confusing press reports I should make it clear that at no time did Mr. Boesack suggest it would be appropriate to relax Commonwealth pressure on South Africa now. He believes it is essential that pressure be maintained and that the mere promise of reform should not be rewarded by any relaxation of pressure."

That is our position. We are continuing to put pressure on until apartheid is dismantled.

* * *

COMMUNICATIONS

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, my question is for the Minister of Communications. I doubt that the minister can deny that the amendments to the Railway Act which he announced today run roughshod over the spirit of the Supreme Court decision which explicitly recognized the Crown immunity of the three prairie phone systems. I would like to remind the minister that on August 14, the minister promised to consult with the provinces to evaluate the consequences of that decision.

Why then, rather than consulting with the provinces, is he holding a gun to their head by stripping away this immunity which the Supreme Court clearly recognized? Is this his idea of fostering national unity?

• (1430)

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the Supreme Court's decision with respect to AGT is very clear and specific. It makes the Canadian Government responsible for telecommunications. However, the decision raises the point of Crown immunity, and the bill tabled today puts all telephone companies in Canada on the same footing.

[*English*]

Mr. Funk: Mr. Speaker, my supplementary question is to the same minister. There might be some of his back-benchers who are happy with that answer, but the reason the government can expect such a fight on this issue is that all kinds of studies, including one done by Bud Sherman for his own department, clearly indicated that the local phone rates will go up between 50 per cent and 131 per cent if these companies lose the ability to cross-subsidize from long distance rates.

Why should the senior citizens of Vegreville, the ranchers in High River, the small business people in Steinbach, and the welfare mothers in Prince Albert have to pay more so that Conrad Black and Ted Rogers can get richer?

[*Translation*]

Mr. Masse: Mr. Speaker, I would like to stress that today, the CRTC is responsible for 70 per cent of Canada's telephone users, and that since 1983, no increases have been approved for local networks. In fact, the only place in Canada where there was an increase was in Manitoba.

[*English*]

Mr. Ross Harvey (Edmonton East): Mr. Speaker, this policy represents one of the most massive attempts to centralize control over a major portion of Canadian life into the hands of the federal government since the Second World War. It strips western provincial governments of their regulatory authority, and it was done without any effective consultation. Indeed it was done in the teeth of substantial and sustained provincial opposition.

Will the minister now admit what all western Canadians can see, that this policy is nothing less than the biggest federal raid on the jurisdiction and regulatory authority of the provinces since the NEP?

[*Translation*]

Mr. Marcel Masse: Mr. Speaker, after the Supreme Court released its decision, I met all my provincial

counterparts who were available. We discussed these issues, and today the Government has released its policy.

* * *

[*English*]

LAND CLAIMS

Mr. John MacDougall (Timiskaming:) Mr. Speaker, my question is directed to the Minister of Justice. Earlier today the Supreme Court granted leave for appeal to the Temagami Indian Band on a land claim for 125 townships which dates back to 1973. The Ontario Supreme Court has rejected the land claim twice.

Can the minister tell this House and the riding of Timiskaming what exactly will happen next with regard to the Supreme Court and when possibly leave would be given?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, leave has been granted by the Supreme Court for the applicants to appeal. At the present time the federal government is not a party to the action.

I will have my officials review the judgment to see if if there is a position for the federal government to take, but at the present time there has been no decision as to whether or not to intervene.

* * *

ROYAL COMMISSION ON TRANSPORTATION

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Deputy Prime Minister.

Two weeks ago Canadians were told that an non-partisan, expert royal commission on transportation would be appointed to examine Canada's transportation infrastructure. Canadians will understandably be suspicious of a commission comprised of three former Conservative politicians, including the chairman of the royal commission.

Why did the Prime Minister find room in his royal commission for the participation of two former provincial Conservative cabinet ministers and a former Conservative MP but could not find room in the royal commission for a representative of the Canadian Federation of Municipalities which represents Canadian towns and provinces right across the country and is on the front lines in determining the severe impact of the VIA cuts?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am not sure what the political affiliation is of most of the members of this commission.

Some Hon. Members: Oh, oh!

Mr. Peterson: We will tell you.

Mr. Allmand: How can you keep a straight face, Don?

Mr. Mazankowski: I might ask the hon. member in a rhetorical way whether he is concerned about the appointment of Mr. William Patrick Kelly, a very distinguished public servant who has served this country in labour and industry in a most exemplary fashion.

Some Hon. Members: hear, hear!

Mr. Mazankowski: Is he complaining about John Forbes Helliwell, a professor and head of the Department of Economics at UBC?

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Is he concerned about Marc Gaudry, a professor of Economics at the University of Montreal?

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Is he concerned about James D. McNiven, who is currently the Dean of the Faculty of Management at Dalhousie University?

Some Hon. Members: hear, hear!

Mr. Mazankowski: Is he concerned about Marie-Josée Drouin, an economist who has been an executive director of the Hudson Institute of Canada since 1978?

Is he concerned with appointments from the board of Concordia University, the Research Institute for International Change at Columbia University, or the Canadian Bank of Commerce?

Is he concerned about Maurice LeClair who was the former president and chief executive officer of CNR?

If he finds exception with all those, then he better go back to the drawing boards.

Mr. Tobin: Mr. Speaker, what we are concerned about is the government that promises to maintain VIA Rail before and during an election, dumps it after an election, and establishes a royal commission after the fact. We are concerned with nonsense being spewed across the way. And, yes, we are concerned about a royal commission that has room for three former Conservative politicians, for three card carrying members of the Conservative party, but no room for a single representative from the Canadian Federation of Municipalities. You are damn right we are concerned that justice is not being done in this country on this issue.

Some Hon. Members: Hear, hear!

Mr. Tobin: Mr. Speaker, I asked the Deputy Prime Minister a straightforward question.

Given that the Canadian Federation of Municipalities represents every community and every region in every province of Canada where some two million Canadians are being displaced, why was there not a single seat for that important body on this royal commission?

Mr. Mazankowski: Mr. Speaker, I think the royal commission, if the hon. member reflects, represents a broad section of Canadians from coast to coast. They are very competent people.

If the member has something to say about the former provincial treasury of the government of the province of Alberta, he should stand up and say so.

Mr. Tobin: I just did.

Mr. Mazankowski: He should tell the House what you have against him, a very distinguished public servant, a very distinguished lawyer, a loyal Canadian and an outstanding Albertan.

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TRADE

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, my question is for the Minister of Agriculture. The general manager of the Ontario Pork Producers Board states that the powerful mid-west pork lobby in the United States now views that almost anything Canadian pork producers do, including going to work in the morning, makes them guilty and subject to yet more countervail duties.

Now that pork producers have been advised to start their own funds in order to pay this duty themselves, what is the minister going to do to live up to his promise to create greater access to the U.S. market, a promise that was made by the free trade agreement but which is obviously not being lived up to?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am very pleased to answer that question because just this morning it has been reported by the agriculture department of the United States that in the area of Canadian vegetables there is an anticipated increase of 80 per cent from today's levels to be exported to the United States. That is a pretty good figure.

Mr. Gauthier: Pork!

Mr. Mazankowski: He was also talking about agriculture.

Some Hon. Members: Pork, oink-oink!

Mr. Tobin: Not the kind you find in the patronage barrel

Mr. Mazankowski: I have a lot of respect for the hon. member. He is not heckling, by the way.

I listened to his question very carefully. He talked about pork and he talked about agricultural products and asked what we were going to do about access. I just pointed out that the access in the area of vegetables would increase, according to an American observer in the agricultural industry, by 80 per cent.

With respect to pork, the hon. members knows, and he and I

• (1440)

With respect to pork the hon. member knows—he and I have had discussions about this—that we have taken action under the provisions of section 19 of the free trade agreement which provides for an objective disputes resolving mechanism that represents both countries. We believe that we will get a fair hearing.

Furthermore, in so far as the other elements of it are concerned, because this is a GATT initiated process we are taking action in the GATT. We are working with the pork council, the meat council and the producers. We have every confidence that this process will work.

Mr. Vanclief: Mr. Speaker, my supplementary is also for the minister. I wish he had referred more to the pork than to the vegetables. There is a difference, and I am aware that he is aware of that.

He has not convinced Canadian pork producers of his enthusiasm as yet. I would like to ask him a few questions that I am being hit continuously with from farmers across Canada. They are maybe very simple ones, but I would like him to give us answers to them.

Why do Canadian farmers have to continuously do as the American government says and not as the American government does?

Where is the government support to protect Canadian farmers from the unfair, bullying harassment of the United States? I believe those are the words that he has used.

Where is our intestinal fortitude to stand up to the United States?

Some Hon. Members: Guts!

Mr. Mazankowski: Mr. Speaker, I think the hon. member would agree that vegetables are part of the agricultural industry. He did talk about agriculture in its totality, as well as pork.

I said before that we now have a provision under the auspices of the free trade agreement to settle disputes through an objective process, a binational disputes resolving mechanism, something which we have never had before. The dice are not loaded against us. We intend to use that provision.

We intend to use the provision of the GATT. The pork producers of Canada with whom we are working very closely know that. The Meat Council of Canada with which we are working very closely knows that. I have every confidence that this process is going to work.

* * *

THE ENVIRONMENT

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Deputy Prime Minister, in the absence of the Minister of Environment.

In 1988, Canada along with 34 other countries signed an International Protocol that commits this country to eliminating its nitrogen oxide to 1987 levels. Yesterday the transport committee was told by Transport 2000 that the shift of passengers from VIA Rail to 1.9 million more car trips would lead to an increase of 2.1 million additional kilograms of carbon dioxide, carbon monoxide, and nitrous oxide into the atmosphere.

In light of the breach of both the intent and the letter of the Protocol and the fact that the royal commission does not have a single environmental expert on it, will the Deputy Prime Minister place a moratorium on VIA Rail cuts until a full, independent, environmental assessment has been completed?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I am told that Transport 2000 submitted some figures yesterday to the committee. It is not the first time the figures of Transport 2000 and those of Transport Canada do not coincide. However, the Minister of the Environment looked at all the available figures on emissions and pollution. He also concluded that considering the shift of passengers to other modes of transportation, the impact would not be as substantial as the Hon. Member would have us believe.

That is why the Minister of the Environment felt that the report tabled last week was conclusive in this respect did not warrant further studies and obviously in no way warranted a moratorium on VIA Rail cuts.

[*English*]

Mr. Angus: Mr. Speaker, I find the minister's comments unusual because he knows full well that in the 7-page environmental assessment, which is really a joke, there was not one statistic showing the level of increase in atmospheric pollution.

Yesterday the minister told the Canadian Industrial Transportation League that the reduced rail subsidy would mean more government money for highway and airline services. Money cut from VIA Rail will not be saved. It will be spent to replace VIA Rail services.

Given that rail is the most environmentally friendly form of transportation and that no money will be saved, the same argument that the FCM made earlier today, will the minister admit to this House that he has made a mistake and agree to a moratorium on VIA cuts until its full environmental and socio-economic implications have been examined?

Mr. Bouchard (Roberval): Mr. Speaker, I will say what I said yesterday and he will well understand why I am here today.

I said that the government has to put money not only on rail services and highways but it also has to put money on air transportation.

I did not say that we will move the money from VIA Rail to air or highways. I said here a couple of times that we will save more than $1 billion for the next five years in terms of the deficit. It is what I said, it is what I repeat, and it is what I will always say.

* * *

HUMAN RIGHTS

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, in the absence of the Prime Minister and the Secretary of State for External Affairs, I would like to direct my question to the Deputy Prime Minister.

Although the Government of Canada has welcomed Pakistan back into the Commonwealth, it has yet to raise pressing questions on human rights. Millions of Ahmadis Muslims are at risk because of the brutal suppression of their rights.

Because of the urgency of this situation, will the Deputy Prime Minister take the unusual step to contact the Prime Minister immediately on behalf of the House of Commons to, first, bring the questions of these horrendous human right violations to the attention of the Commonwealth and, second, to seek personal assurances from the Government of Pakistan that action will be taken to protect the lives of the Ahmadis Muslims who wish to practise their religious beliefs in peace and quiet?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, yesterday, after our colleague the Hon. Member for Parkdale—High Park advised me of his concerns, I immediately asked officials at External Affairs to get in touch with our embassy in Pakistan and find out whether there were any new developments in the case of the Ahmadiya Muslims.

In fact, yesterday one of the senior officials happened to meet several leaders of the community, and they did not mention any particular problems.

However, I agree with the Hon. Member that we often hear reports of threats to this community. As in the past, we will continue our representations to the authorities, either through the ministers or through departmental officials.

[*English*]

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is also for the Minister for External Relations.

Over a year ago, in September 1988, a bill was passed in this House to establish an international institute of human rights and democratic development. To date there has been no government announcement.

Given the seriousness which even CIDA acknowledges that Canadians give to international human rights issues, the procrastination or the lack of action represents nothing more than negligence.

When is the minister going to attach some action to her words of commitment to human rights and do something?

[*Translation*]

Mrs. Landry: Mr. Speaker, the decision to create an International Centre for Human Rights and Democratic Development was made because of our concern for and our interest in defending human rights throughout the world.

We will, of course, consult with the leaders of the Opposition, as provided in the Act, when deciding who will run the Centre, and of course the money, $1 million, will be made available to the Centre as soon as the official announcement is made.

* * *

HUMAN RIGHTS

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, my question is directed to the Minister of Labour.

Another 200 jobs have been lost in Montreal. Employees with Eastern Airlines have received their pink slips and will be laid off on October 31.

Our labour legislation provides that the company must sit down with its employees to discuss the details of a shutdown. The Minister has been aware of the problem for four months, but no meeting has as yet taken place, and the company is waiting for a reply.

When will the Minister give 200 Canadian employees at Eastern Airlines an answer with respect to their future? Or is he going to let Eastern Airlines circumvent Canada's labour legislation?

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, the Minister of Labour takes action in these situations as soon as he has been officially informed by the employer of any plans to lay off employees.

So far, the Department of Labour has received no notice from Eastern Airlines. Obviously, the Department cannot take any action until it has been officially advised of what Eastern Airlines intends to do.

I can assure the Hon. Member for Saint-Laurent—Cartierville and all Members of this House that as soon as we are advised by the company, the Department of Labour will ensure there is full compliance with every provision of the Canada Labour Code.

• (1450)

Mr. Paul Martin (LaSalle—Émard): I have a supplementary, Mr. Speaker. This is just another example of the Government's flippant attitude to the loss of jobs in Montreal. Last week, we heard that over 11,000 jobs were lost in Montreal during the past 18 months. Now we know the answer. The reason is quite obvious, and I would like to quote the Hon. Member for Rosemont, a Government Member, who said that many ministers still showed a lack of awareness of the situation in Montreal.

Mr. Speaker, my question is this: Does the Minister agree with the Government Member's analysis, which accuses the Minister and his colleagues of ignoring the hardship of Montreal's workers?

Mr. Corbeil: Mr. Speaker, I think I can sympathize with the concerns of the Hon. Member for LaSalle—Émard, who probably has other things on his mind, aside from the employment situation in Montreal, and I hope his prospects are promising. I may remind him that from 1980 to 1984, when his party was in power, the number of jobs created in Québec was minus 4,000. In other words, Québec lost 4,000 jobs during that time. In the five years since this Government came to power, Mr. Speaker, more than 145,000 jobs have been created in Québec, including 125,000 in Montreal, and I think this is an excellent record which he should look at more carefully.

* * *

[*English*]

WOMEN

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, my question is for the Minister of Finance. It concerns the report commissioned by the Commonwealth Heads of Government entitled *Engendering Adjustment for the 1990s*.

The report points out the severe and disproportionate impact of structural adjustment policies on women in the developing world and concludes that a new approach is required which will take into account the majority role women play in those countries.

Does the government intend to follow the recommendations of the report and speak clearly at the IMF and the World Bank on the detrimental effects of these Draconian economic measures on the women of the world?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, one of the things this government has done very actively is work on behalf of women in the Third World.

At the Commonwealth Status of Women Ministers' meeting last year we developed a work plan involving all these countries, because it is clearly more serious in the Third World where women do nearly 100 per cent of the work in the home and about 80 per cent of the work outside the home. That was the subject of quite a long discussion, and there is a work plan in place in the Commonwealth that we will be pursuing.

Ms. Hunter: Mr. Speaker, at the Commonwealth Finance Ministers' meeting in September the Minister of Finance said structural adjustment and not increased aid was the key to the debt crisis in Third World development.

This report is a clear indictment of the minister's position. In light of the previous speaker highlighting that women pay a key role, will the Minister of Finance and his government undertake to ensure that women's concerns are clearly incorporated in the implementation of adjustment policies? Will the minister undertake that?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what the hon. member has just said is precisely the position that this government has been pursuing and encouraging in the discussions that we have had on the effect of adjustment on women in less developed countries.

The point I made which she has taken somewhat out of context is that there must be structural adjustment in these economies if they are to be able to move ahead and take advantage of better opportunities.

However, as that structural adjustment takes place it is important to acknowledge, recognize and plan for the impact of that on women, as has been set out in the Commonwealth study that has been referred to by my hon. colleague.

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TRANSPORTATION

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, I would like to direct my question to the Minister of Transport.

In light of the recently announced cuts to VIA Rail affecting the Calgary—Banff—Vancouver rail line, and because tourism is a major industry surrounding this route and it is essential to maintain a year-round service to accommodate skiers and sightseers, will the minister please tell me what his department is doing to promote the privatization of this most vital transportation link in my riding?

Further, will the minister also assure me that his department is doing all that is possible to guarantee that year-round service on this route will not be disrupted?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I believe this is a good question.

I would like to refer my colleague to what I said on October 4 when I announced the VIA Rail decision. I said that the private sector would be encouraged to take over any service in the country where services could be given to Canadians.

Of course this Rocky Mountain route is obviously the most profitable route that we have in the country. If the private sector wants to take over, of course VIA Rail has been given all the rights to receive the proposals and to consider those proposals in the best interest of travellers in this part of Canada.

IMMIGRATION

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the minister of immigration. Yesterday the minister claimed that the cornerstone of the government's immigration policy was family class, yet this level has not increased dramatically from the 30 per cent range of all immigrant applications under this government.

Does the minister not understand that this is making it more difficult for family members in Canada to be reunited, that it is causing a great deal of frustration? Why not return to the days when the family level of the whole immigration policy was upwards of 50 per cent and more.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I would like to point out to the hon. member who keeps hammering at this subject that when the family class constituted 50 per cent of total immigration it was because his party had put in place policies that caused some of the lowest immigration levels of the post war period. I do not think that we have anything to be ashamed of in this regard.

Mr. Allmand: When were they the highest, Barbara?

Mrs. McDougall: Let me say that they are the highest right now. The family class is the highest level in this decade.

Mr. Allmand: Let's look at the fifties and sixties.

Mrs. McDougall: I should say that the hon. member knows very well that the family class is demand driven. To the extent that people come forward and sponsor family members who qualify, then those numbers will be exceeded.

This is the highest planning level in a decade. I would also point out that this is the government that expanded the family class and increased the points for the assisted relatives.

Mr. Marchi: Mr. Speaker, perhaps the minister could check with Canadians from coast to coast who cannot sponsor quickly enough or successfully enough and then perhaps return to the House of Commons and check the statements she just made.

[*Translation*]

My supplementary is directed to the same Minister. Yesterday, for the third consecutive year the Minister of Employment and Immigration did not see fit to increase the number of government-sponsored refugees. However, during his trip to Kuala Lumpur, the Prime Minister contradicted the Minister, saying that we admitted more refugees each year and that we were not doing enough to help them. I therefore want to ask the Minister to explain this contradiction. Why say one thing on the international scene and do another in Canada? Why?

• (1500)

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the number of refugees who come to Canada for humanitarian purposes has increased every year. Let me say that the number of government sponsored refugees will remain at 13,000 next year. When we look around the world we see many changes in eastern Europe and other areas, and some greater normalization of exit permits and so on. That means we are dealing with a changing situation.

The number of privately sponsored refugees will increase by 3,000. Their settlement is not cost-free to the government, of course, because we pay a part of the services and we do it on an on open-ended basis, and we are proud to do it. We are increasing the number of refugees from southeast Asia by 500 in the coming year and we made commitments in Geneva in June that put us ahead of all other countries. The Prime Minister is right. We are increasing and we will continue to increase.

Mr. Speaker: I wish to advise the House that there will be a single question from the hon. member for Haldimand—Norfolk, a single question from the hon. member for Yukon, and a single question from the hon. member for Fundy—Royal and that will close off Question Period.

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TRADE

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I have a question for the Minister of Finance. Recently released Statistics Canada figures indicate that since the signing of the free trade agreement there has been a sharp decline in our trade surplus with the United States. Our exports to the United States have increased only 3.4 per cent, while U.S. imports to Canada have doubled to 7.5 per cent. The Prime Minister said that the free trade agreement would be the cornerstone of prosperity. It was going to protect Canada against U.S. trade measures. Ever since we signed the deal we have seen American harassment of our pork, steel, dairy, and fish industry. Now we are seeing trade figures that show it is not working.

Will this government now admit that the free trade agreement is not working, and that the free trade deal has cost Canadians more than they have gained?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have a report here from *The Financial Post* of yesterday which says, "U.S. trade deficit figures were bad news for United States policy makers, but good news for nimble Canadian exporters who appear to be taking early advantage of the free trade agreement."

That is not a government statement. That is an analysis by *The Financial Post* of what is happening.

The hon. member refers to the larger increase in imports relative to exports. That is a very simple thing to understand when you understand that there is a considerable increase in investment in this country and that leads directly to an increase in imports of machine goods and machine tools. A large part of the increase in our imports in those figures is because of the increase in the machine tools.

* * *

PROPOSED GOODS AND SERVICES TAX

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is addressed to the Minister of Finance. The goods and services tax is the most profound change to the tax structure since income tax came in temporarily 72 years ago. Despite this, the government has limited hearings to approximately 10 hours for the entire Atlantic region, no hearings at all in Quebec, and today the minister says that poorer regions in Canada are going to be better off. Well, that is laughable. I want to ask the Minister if he will be up front, finally, with Canadians and confirm that more than half of poor Canadians living below the poverty line will in fact be worse off after the

goods and services tax is implemented even with the goods and services tax credit?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member says the government has limited the hearings. The government does not tell the committees what to do. The committees decide themselves what they should do. That was a decision taken by the committee in consultation with members from the Liberals, NDP, and the Conservatives.

The essential question the hon. member is asking is: will lower income Canadians be worse off or better off as a result of the goods and services tax? I can answer quite categorically, lower-income Canadians will be better off after sales tax reform because of the fact that they will receive a cheque every three months, in advance, through the goods and services tax credit, $275 per adult, $100 per child, income tested and it will be phased out as their incomes increase. But, families with incomes of $30,000 or less will be better off after tax reform.

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AGRICULTURE

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, my question is for the Minister of Agriculture. Recently it was announced that a GATT panel had delayed the approval of a report that says Canada cannot limit imports of ice cream and yogurt. Reports stated that Canada violated its obligations under Article 11 of GATT in January of 1988 when it put import quotas on ice cream and yogurt to support the country's $7 billion a year dairy industry.

Given that the United States obtained a waiver from GATT in 1955 which allowed it to maintain its import restrictions on ice cream into the U.S. market, can the minister indicate what steps are being taken in order to ensure the same protection for our Canadian dairy industry?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, a number of actions are being taken. First, as the hon. member indicated Article 11 is the provision under which supply management systems are set up and operating in this country. The wording in Article 11 dates back to 1947. As a result in the current multilateral trade negotiations we are seeking to clarify and strengthen that article and update it to current agricultural realities and that process is ongoing. As well we consider the GATT waiver to be grossly unfair and we have served notice on the Americans that we intend to pursue this. As well we are pursuing this in the MTN negotiations and it too is on the negotiating table.

I can tell the hon. member, and he can assure the producers that he represents, that this government stands firmly committed behind the principles of supply management. We will do everything in our power to defend it vigorously.

Mr. Speaker: The hon. member for Edmonton East on a question of privilege.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I rise on a question of privilege with reference to Beauchesne's fifth edition, Citation 16, which states:

> Privileges are enjoyed by individual members, because the House cannot perform its functions without unimpeded use of the services of its members.

As well, Citation 18 states:

> Privileges involve a member's capacity to serve the people who have chosen him as their representative.

Several times since coming to this House I have heard it alleged that the New Democratic Party supported the NEP. This is absolutely false and I wish to draw it to the attention of members opposite so that they may better do their job, better serve their constituents—

SPEAKER'S RULING

Mr. Speaker: The hon. member has raised a question of privilege and he has referred to Beauchesne and certain citations which do in fact set out very clearly what privilege is. But the complaint that seems to be emerging is a matter of debate. Somebody has said something about somebody else as to whether or not they support something. That is a matter of debate and that is not a question of privilege. The hon. member may have a complaint but he will have to take the complaint elsewhere.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Speaker: The Hon. Member for Windsor West on the usual point of order.

Hon. Herb Gray (Windsor West): I want to ask the government House Leader for a statement of business that the government intends to call for the coming week.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to reply to my hon. friend. Tomorrow we will continue with second reading debate on Bill C-36, that is the Agriculture Advance Payments. There is an understanding among the parties there will be no dilatory motions proposed. My hon. friends will understand that the opposition has been filibustering this bill for some time and we intend to push forward in order that the farmers of Canada will receive those very important payments.

• (1510)

If the opposition parties should discontinue their filibuster tomorrow and there is sufficient time, we would be pleased to revert to concurrence in motions in order that the House may have an opportunity to consider, in debate, the fifth report of the Standing Committee on Procedure vis-à-vis television.

On Monday, we will call for third reading of Bill C-20, the excise tax bill; on Tuesday, October 24, we will continue debate at report stage on Bill C-21. Those are the changes to the Unemployment Insurance Act.

Mr. Rod Murphy (Churchill): The Government House Leader has indicated that the opposition has filibustered on Bill C-36. I wonder, in making that particular comment to the House, if he could inform the House how many hours of debate there have been on this very important piece of legislation.

Mr. Lewis: There have been endless hours of debate. I do not have the exact time but I do want to point out to the House that the government is very anxious to pass this legislation in order that the farmers of Canada will be paid. We are moving ahead on this as quickly as possible. We would hope that the opposition will stop their filibuster.

Mr. Murphy: The Government House Leader, when he is speaking on House business, should state facts. It is my understanding that there have not even been eight hours of debate on this legislation at the present time. Certainly on most pieces of legislation, we go through at least the full eight hours of debate before the government threatens closure.

Mr. Lewis: This is a bill which is good news for the farmers of Canada. We do not want to threaten closure but I want the farmers of Canada to know that if it is necessary to put closure in order to pay the farmers of Canada the advance payments, we will do so.

Mr. Gray (Windsor West): I would like to respond to the statement by the Government House Leader. He has not got the week's business off to a very good start by referring to the efforts of members of this House to do their duty in debating issues of importance to the country as filibustering. Even in the Eastern Bloc countries they are moving away from the traditional one-party state, no-debate approach that they had for 40 years. My hon. friend seems to think that we should move in the opposite direction. I do not think that Canadians agree with that, especially the farmers of Canada who, through their national organizations, have called almost unanimously for the bill that we are talking about to be withdrawn.

If the minister is interested in the farmers of Canada, then he will listen to what they are saying through the intermediary of the voices of the Liberal party and other members and withdraw this bill. That is the way to listen to the farmers.

The Acting Speaker (Mrs. Champagne): On a point of order, the Hon. Member for Algoma.

Mr. Maurice Foster (Algoma): On a point of order. I would like to point out that the Minister of Justice and the House Leader for the Government is really threatening Canadian farmers by saying that he is going to use closure. What the farmers want to do is to have cash, interest-free cash advances. What the government should do is just withdraw the bill and pay the money, the estimates of which are going to be approved tonight, to those farmers. That is what they want. They do not want this bill at all.

Mr. Lewis: I am pleased to have this debate continuing on an opposition day. Normally on opposition days we try to vacate the floor and allow the opposition to debate the matter that they brought up for debate. Since they insist on continuing this debate, I would respond to my hon. friend by saying this: Yes, we intend to threaten the Canadian farmers by paying them money and yes, we intend to override the filibusters by the opposition

parties, the Liberals and the NDP, who do not want the Canadian farmers paid. We are going to do it as soon as possible.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—FISHERIES

The House resumed consideration of motion of Mr. Robichaud:

> That this House condemn the government's mismanagement, lack of leadership, incompetence and negligence that has placed Canada's fishing communities and workers in unparalled jeopardy.

Hon. Roger C. Simmons (Burin—St. George's): The fishery is of vital importance in almost every single community, 158 of them, which make up the great riding of Burin—St. George's, along the south coast of Newfoundland, along the southwest corner and up a bit of the west coast.

It is for that reason, among others, that I am delighted to rise and support the motion put forward by my colleague from New Brunswick, from the riding of Beausejour, which calls on this House to condemn the government's mismanagement, lack of leadership, incompetence and negligence that have placed Canada's fishing communities and workers in unparalled jeopardy.

First of all, I could not have said it better myself. I believe when members of this House reflect on what the gentleman from New Brunswick has asked the House to concur in, they will rush to his support because this government, as the motion implies, has been lacking in leadership, has been incompetent, has been negligent and has placed Canada's fishing communities, including many of dozens of such communities in my own riding, in unparalled jeopardy.

I can say to the Minister of Fisheries I can support that resolution with great relish.

I listened to the Minister of Fisheries earlier in the debate. In response to my good friend from Gander—Grand Falls, in talking about the issue of overfishing, he used this tell-tale phrase: "We fixed that". Yes, he certainly fixed that, and I will show you how he fixed it.

I have here a document from the Government of Newfoundland, published last week and given to the Government of Canada some weeks ago, entitled "Resource Crisis in the Newfoundland Fishery". On Page 5 of that document, the Government of Newfoundland shows just how the Minister of Fisheries here in this House fixed the question of overfishing. I will give you a couple of quick figures.

The NAFO allocation for the European Community in 1986 was 26,295 metric tonnes. Those same countries in the EEC took in that year 160,000 metric tonnes or about six times what the catch was supposed to be. The next year the quota was 25,205 metric tonnes. The EEC countries, particularly Spain and Portugal, took 134,000 metric tonnes.

I say to the Minister of Fisheries that he fixed it all right. He, together with the Prime Minister, the member for St. John's West and the Minister of Trade, allowed Spain and Portugal to walk all over us during those years and he brags today that he fixed the over-fishing issue. He tends to be very selective when he is quoting statistics, when he is quoting from newspapers, just as he was this morning on the west coast issue. I wish I had time to talk about that because although it is the west coast of Canada, the trade ruling of a few days ago has a lot of implications for the fishery on the east coast of Canada, including the one in Newfoundland.

Just in passing, to make the point, the minister this morning told us that the ruling was being welcomed with open arms by everybody out there. He is being very selective. Why did he not read all the headlines? Why did he not read the one in the *Ottawa Citizen* of October 19, which said: "Fish Industry Slams Trade Ruling". Why did he not go to the newspaper in Quebec city, *Le Soleil*, which declares "*Le saumon fait hurles*". A rough translation, I believe, is "This ruling is an outrage". That is about the ruling the minister told us this morning was the best thing since sliced bread. It is only a matter of time before that kind of ruling, where the Americans can do what they want with our fish, begins getting applied to the east coast fishery, including the fishery in Burin—St. George's.

I listened with great interest this morning to the Minister of Fisheries. One of the things he said about me during his debate was that I am exaggerating the problem

that I am spreading fear among the fishermen. He thinks everybody out there is wrong except him.

Let us look again at the report prepared by the Government of Newfoundland after a lot of research, where the Government of Newfoundland tells us and I quote: "The potential direct employment losses anticipated in the fishery in Newfoundland in 1990 are as follows: Offshore sector, 1,400 jobs; inshore sector, 800". The Newfoundland government is projecting losses of 2,200 jobs next year alone in the Newfoundland fishery.

• (1520)

The minister says, "There is no crisis, nothing to get worried about". Again, of course, the Newfoundland government finding was quite different. It continues: "The Newfoundland fishing industry is facing a resource crisis which will displace thousands of workers and undermine the economic base of whole communities".

Now how graphic does this minister need it painted to him before he begins to understand?

He then makes this brave phrase: "No government has managed the fishery likes this one". He is right now. He is dead on now. No government ever managed the fishery like this one. Finally he is dead right. He is not out even a whit. He is dead right. Nobody, not even a drunken sailor, could manage the fishery the way this crowd has managed the fishery. Who, in their right minds, supposing to protect the interests of Atlantic Canadian fishermen and plant workers, would say to the European community, "You are only allowed to take 20,000 but even if you take 160,000 we do not mind. Rape our fishery, as long as you smile at our Prime Minister. As long as you like our Prime Minister, as long as you wine and dine him when he goes to the foreign summits, we do not really get too upset about how much fish you take".

Now the gentleman from St. John's West is traipsing up and down Europe. He is going to solve the problem.

An Hon. Member: At the taxpayers' expense.

Mr. Simmons: Oh, yes. He is there now. He is going to educate the European community. Well I say to him, welcome to the club, Johnny Boy. Where have you been for the last four years? Spain and Portugal, I tell you, have been overfishing for four years. Finally he has discovered overfishing. Johnny has discovered another excuse to take a trip. I wish him well because he is over there at the expense of the Canadian taxpayers, including the fishermen whose jobs are being lost thanks to his inaction during the last four years.

I would hope, if the Minister of Trade, the Member for St. John's West, ever figures out which end of the fish is the front end, I hope he does get the message through to the Europeans even though he is four years late starting to talk about it. He has never been known in Newfoundland as one who is very shy to talk. So one wonders why he has not been talking before. Of course, the answer is simple. It was not part of the agenda of the Prime Minister to talk about overfishing until now, 1989. They discovered the problem four years late.

I heard the Minister this morning talking about unprocessed fish being taken into the American market and what a lament that is and how terrible that is. He is right, of course. But I want to know who told him? How did he find this out all of a sudden? Mr. Minister, where have you been? This is a problem we have had for some time in Atlantic Canada, particularly in Nova Scotia.

Of course, in what must be the juiciest bit of his speech altogether, he tells us that foreign overfishing is a priority of this government. Well, you would never know it when you look at the way that the Europeans and the French, in particular, in 3PS have been walking all over us, taking four times the quota for 3PS in 1985, 1986, 1987 and 1988.

I could talk for a long while about this, but I realize that my time is up. We have agreed to limit ourselves to 10 minutes so that all members can participate in this debate. There is a need for a remedy for those people who are hurting out there and there are many thousands. I say to the minister and to the Minister of Employment, who will speak later in the debate, that the established programs are not the answer here. The UI is not the answer. Welfare is not the answer, although that is what is happening to some people right now, thanks to this government.

The special response program, at least the one they put in Rose Blanche—Port-aux-Basque is not the an-

swer. They have got to do better than that. If I had time I would elaborate, but perhaps on another occasion.

Mr. Reid: Madam Speaker, I really do not know where to start. I will have the opportunity later today to respond in more detail. I think, though, I cannot let pass the comments that the hon. member across the way made concerning overfishing, and 3PS I hope I do not have to remind him who signed the agreement in 1972. I hope I do not have to remind him that to try to resolve what emerged from 1972 this government went through a lot. I would use words that would probably have him on his feet to have me condemned for being out of order. This government managed to get the Government of France to a table, to arbitrate an agreement, to resolve the very difficult problem of management and deal with an arbitration in terms of the disputed boundary. This government managed to do that and was able to ensure that the fleet out of France took 10,000 tonnes less in 3PS on a declining scale. I know the Minister is going to pop up and say, yes, we gave them northern cod to do it. Yes we did, less than 1 per cent of what is there. The government said they could have that. But what it does not give our fishermen, what we in this country take less of, they will take less of, too.

As well, we have an arrangement that if they fish outside inappropriately, they do not get what is inside. What we have given them inside is gone. But we continue down the road to working out an agreement. I just wanted to remind my hon. friend across the way of that.

Mr. Simmons: I say to the member for St. John's East that the government did not bring the French to the table. They got this government on the mat. In 1985, 1986 and 1987, the quota, as the member will know, was of the order of 6,500 metric tonnes. They stole 26,000 metric tonnes. Then our brain from St. John's West goes over there, aided and abetted by the gentleman from St. John's East—and I do not know why he is involved in this, he is such a decent chap—they go over and get the French to agree not to take 26,000 tonnes. They were only supposed to take 6,400 tonnes. So they talk the French down and they agree not to steal 26,000 tonnes, but to steal only 17,000 tonnes. The Minister comes back and says, "What a victory. We actually convinced them that instead of taking 6,400 tonnes, they would take only 17,000 tonnes."

The member asked who signed the 1972 agreement. The Government of Canada under a Liberal regime signed the 1972 agreement and the was successful in administering it as follows. between 1972 and 1984 did the French overfish in 3PS. Not once. I challenge the member to contradict me.

Starting in 1985, after the change of government to the gentleman from Baie-Comeau, they overfished four to one; they overfished in 1986; the French overfished in 1987; they overfished in 1988; and now, in 1989, they are overfishing to the tune of three to one, 17,000 tonnes instead of 6,000 tonnes, aided and abetted by these members from St. John's East and St. John's West, who now want to take credit for allowing the French to steal three times as many fish as they were allowed to steal in the first place under the 1972 agreement.

The member states, yes, we signed that agreement and we are proud of it. The difference between the Liberals and that crowd is that we kept the French from overfishing and they cannot do it or will not do it.

Mrs. Coline Campbell (South West Nova): Madam Speaker, I realize that there are so many in the Liberal party who want to speak on this and our time is very short.

• (1530)

This problem is not just one of today; it comes back to the fact that the Department of Fisheries has not had the foresight under this minister to have optimism in the east coast fishery. It does not have optimism on the west coast fishery. The minister can stand up in the House and say that we have sovereign rights over our natural resource of fish, and yet he will continually say he will do nothing to protect us or help us establish the presence that we need in the market-place.

We have a natural resource. We have the capacity inshore and offshore on the east coast to catch everything that is within our 200-mile limit. Yet this minister says we do not have a right to it. Our fishermen have not fished for two seasons in a row because he has allowed foreign overfishing.

Who supports me on the foreign overfishing issue? The premier of our province says that this minister should stop listening to his armchair fishermen here in Ottawa and his scientists and managers. I do not know why they are managing, there has been no fishery to manage for the most part for the last six months. They are paying people to do nothing, certainly not to have new ideas. But this minister is even against Premier John

Buchanan who says the minister has no credibility because he will not look at the problem of foreign overfishing.

A few weeks ago in this House, the minister said there is no hardship, and in the summer he met with the minister for ACOA from Pictou. He was one of the ministers who brought a group of people from Nova Scotia to meet with the minister in July. They had a marathon session one evening and the minister, according to the paper, asked dragger officials to give him some qualifications of the economic impact.

One fishermen whom I met received an answer last week to a letter he wrote. He had his books looked at for two years in a row, and he got a letter back saying, "The federal government does not have a special program set aside for this purpose, to help the east coast fishermen."

In fact, on July 26 the minister said, "Give me the evidence that people are hurting." This fisherman has fished for 30 years. He has never experienced the conditions that we have seen on the east coast in the last two years. It is so bad. The credibility of this minister is so bad and so damaging to our sovereign right over fish that he is helping the foreigners continue the bad practices they have established.

This minister has not managed the fishery. We are in the same place we were 10 years ago. The foreigners are still fishing. We have the capacity to take everything they are taking. We have the capacity to have established markets. We have not done anything. He has sat there and pompously told the people of Canada that he knows what fishing is about. He has not moved out of his comfortable armchair, with his people telling him what they should do. He does not talk to the people who are concerned. He does not come down to talk to the fishermen. He has not even come down to tell them anything except that the problem is over-capacity.

The fishermen will tell you the problem is not over-capacity. It is lack of quotas. They will tell you there has not been haddock and they will accept that, but they will not accept that there is not fish there that they could have been able to fish this fall.

Management has been management by quotas. Quotas require enforcement and supervision, something this Department of Fisheries is not able to do. Fisheries management has not worked in any of the sectors. The livelihood of people who have existed by fishing for years is slowly dwindling. This minister does not care.

An example of his improper management is that fish is being dumped by the inshore, the offshore, and the foreigners. Management has even allowed unused quotas. The other day in the House, I said that the sectors of the inshore fishermen had looked at what was left between here and the end of the year for quotas. Sure enough, there was 43,000 metric tons and another 20,000 metric tons in 4BWX and 5 in particular, some of which are not going to be caught by the offshore fishermen. Yet this minister will not allow the transfer committee to transfer the quota. He will allow it to stay there and not be caught, even though his management plan shows it is allowed to be taken. Because the offshore cannot take it or the Cape North cannot take it, he will not allow the inshore communities who are so dependent on the fishery to take it.

Time does not allow me to talk about everything I want to talk about, but this week in one of the local papers, the *Digby Courier*, there was a letter written by a fisherman who fishes there. I would like to put it on the record because I think it is an excellent letter. I would like to know what the minister is going to say to this letter which reads:

> Dear Editor; the following is a letter I have written to Fisheries Minister, Tom Siddon.

The headline is "Captain Hears Wolves at Wheelhouse Door". It reads:

> Dear Tom Siddon;
>
> I hope you will take time from your hectic schedule to read this letter from a humble peasant fisherman down in Digby, South West Nova Scotia.
>
> I want to make it clear from the start that we fishermen down here in good ole' Sou'West Nova have clearly decided that you have won, you are the master and we are your peasant fishermen, the fight is gone out of us and we will rebel no longer. We are prepared to give you all our support.
>
> From articles we have read, we realize that you are upset that some of our incomes could possibly match your own six digit income, and this of course is wrong. We assure you that due to some of your latest actions this will never happen again. Shutting down the ground fishery for the past three months has been a great step in this direction and

your latest plan of taking fishermen's licences will certainly ruin a lot of good men's lives and with any luck our incomes will soon be as insignificant to you as we are.

As fishdraggermen, we realize that it is the honourable thing for us to step down. We have repeatedly proven that we are much more efficient and productive than your friends at Nat Sea. But we realize that friends are very important in life and by continuing to give them the bulk of the quotas and letting them fish while we are shut down, they may even become self-supporting someday, and make you proud. Doing our part to achieve this is certainly making us proud.

I am a fortunate peasant because by your good graces I am allowed to fish for scallops as well as groundfish. Recently our awaited fall inshore scallop fishery opened and as you've heard, all the scallops have died. I read your press release that we exaggerated the extent of this disaster but I have good news for you, we did not exaggerate one bit. Millions of pounds of previously healthy mature scallops have died and the repercussions on the thousands of people involved in this industry will be devastating. The mortality rate of the scallops is 80-100 per cent in the productive zones and the dying process is still continuing.

In the non-productive zones damage is less but don't worry, these areas will only support the fleet for a few weeks. The loss is easily in the tens of millions of dollars directly to the industry and untold amounts in spin-offs. I feel as a faithful servant it is my duty to give you and your biologists these figures because I'm sure you all have much more pertinent matters to attend.

You have said upon several occasions that your primary concern is to maintain and preserve the stocks. Well everyone makes mistakes and although you allowed the largest scallop beds and the biggest economical boost this area has ever seen to go to ruin, you are still in our good graces. We figure that with the help of you and the Dept. of Fisheries, our inshore zone should recover easily within 10 years.

There are a few of your chosen people I'd like to give a few deserved words of praise.

First and foremost your fisheries officers. These gallant men kept us out of the inshore zone all summer and allowed the poor scallops to die in peace. Even to the last minute before the opening they were on hand to ensure as many scallops as possible could die before we started fishing.

These men are the guards of your marine kingdom and since they now have salaries which double most fishermen they are working even harder to make you proud. Hats off to the gallant men and women in green.

• (1540)

I realize my time is up and I know I will not get agreement from the other side to extend my time to finish the letter. I can only say that it was a good letter and I am sure the minister will be answering it.

Mr. MacLellan: Madam Speaker, the concerns raised by my hon. friend are really of tremendous importance to all of us in Atlantic Canada because the fishery is not only an industry that applies in her constituency but touches on all 32 constituencies in Atlantic Canada. The prospects are bleak. It is something the people of Atlantic Canada are not looking forward to. They know bad news now. They are largely waiting for another shoe to drop. It is not a pleasant experience.

In addition to the other problems we have in Atlantic Canada, we feel let down. We feel betrayed by this government first and foremost because it refuses to admit there is a problem. The government continues to say that the fishery is in a good state of health, that there is no problem with the Atlantic Canadian fishery.

I would just like to ask my hon. friend, the member of Parliament from South West Nova, exactly what she has been able to hear and experience in her riding about the state of the health of the fishery.

Mrs. Campbell (South West Nova): Madam Speaker, I thank my colleague for asking me about what I have been able to hear. I certainly have tried to tell this minister and the people down there have tried to tell him as well as the premier that this minister is on a collision course with the fishery. I thought that the letter that I was reading showed exactly what was in the minds of everybody.

The fisherman went on to say that:

Likewise to your biologist we bear no malice. We realize that the research needed to warn of this impending disaster could never be justified in face of the huge enforcement costs to protect the dying scallops. As far as groundfish goes, proper assessments of stocks could only be made by true fishermen and this is never done—who needs accurate assessments on which to base quota anyway? Not us, we're always tied up.

Also your media men deserve praise. The way they faithfully print distorted truths about the Fisheries and live with themselves after must take amazing strength and courage. We all realize the public must be deceived on matters of the fishery. It is the only way things will run smooth in your government.

Praise last but not least should ought to go to the justice system—

I will not go through that. He goes on:

> If I left anyone out who is helping to further your cause I apologize, but the good news is, to anyone out there who wishes to see hard times and poverty for the fishermen and people of Sou'West Nova, rejoice, it's well on its way.
>
> Well I'd better go. I think I hear the wolves at the door. I'll keep you up to date on any new disasters or bankruptcies in the fishery and you keep up the good work on your end. You know I did hear the wolves at the door, my wheelhouse door, and they're wearing green suits.
>
> Fisherman
>
> Jamie Theriault

That explains exactly what is happening to the many thousands of people in communities throughout Scotia–Fundy, whether it is Lockeport or whether it is in Digby Neck or anywhere. This Minister of Fisheries will virtually erase the whole inshore fishery. The best will be gone unless he decides to start listening first to the fishermen, to the people who represent the fishermen and the fish plant workers, to the companies, to the premier and perhaps even to the minister from the province of Nova Scotia who must have some concerns at least about the lobster size that this government is going to allow without anything but political, diplomatic talk.

I can only say that this minister has done a great disservice to a natural resource that we have been given for the use of all people.

Hon. Elmer M. MacKay (Minister of Public Works): Madam Speaker, it is always a pleasure to participate in a debate with my friends from Nova Scotia. The member for South West Nova looks charming today in black. It is appropriate that she is wearing it, because she has given us nothing but a litany of gloom and doom.

My colleague from Beaséjour has a very constructive resolution, in part.

Mrs. Campbell (South West Nova): What's he wearing?

Mr. MacKay: Where is he? Oh, there he is.

Mrs. Campbell (South West Nova): Talk about inanities and not the fish. Talk about the colour of my dress.

Mr. MacKay: I was hoping we would have some kind of constructive solution.

The member for South West Nova and my good friend from Cape Breton—The Sydneys have indicated that this government does not recognize there is a problem. That is not true. There have been problems in the Atlantic fishery for 100 years, and there have been 100 studies in the last century. This is not an isolated phenomenon. The fishery, as the hon. member knows, being a knowledgeable person, tends to be cyclical in nature. The fish are not here. The fish are not in the waters where they used to be.

Those of us who remember back when a former government commissioned Senator Kirby to study the east coast fishery will remember that Senator Kirby made some recommendations. I will read for the edification of the House one of Senator Kirby's recommendations. This is Liberal policy, and there is nothing wrong with it. This is what he suggested at the time:

> The Atlantic fishery should be economically viable on an ongoing basis, where to be viable implies an ability to survive downturns with only a normal business failure rate and without government assistance.

I say to my friends opposite, was that Liberal policy that this fishery should survive normal business downturns without government assistance? It is not our policy. We try, whenever possible, to assist this sector. I would like to put on the record in a few moments some of the things that ACOA is doing to try to alleviate what is admittedly a situation that needs help.

Instead of getting some kind of assistance from the members opposite who are knowledgeable and concerned we get nothing but rhetoric. They cling to these rhetorical arguments like a drunk clings to a lamp post, more for support than for illumination. They do not put anything forward that seems to help the situation. We got nothing but a blanket condemnation of the minister of fisheries, who I think most members would be fair enough to realize is coping with a difficult situation in a conscientious way. He has a tough job.

I made a few notes about the statistics and I believe they are correct. I will refer to my friend opposite's constituency in South West Nova. In the Scotia—Fundy region, lobster landings have more than tripled and the landed value of lobster increased more than five times, from $28 million to $143 million. In the scallop industry, this year's catch looks like it will exceed last year's record levels and there are still three more months of fishing left.

This industry is not a simple one. The late Don Jamieson, if he were here today, would probably describe it as a multi-faceted, multi-dimensional, multi-purpose industry, and he would be right. But the members opposite do not seem to take into account the vagaries of nature. They think that just because fish swim around in schools, they can be educated to come whenever they are required. That is not so.

Back in those years Senator Kirby and the DFO managers, some of whom are still available, were projecting what they thought would happen around 1990. My colleague for Cape Breton—The Sydneys will remember that they were saying that in 2J3KL, which is the heart and soul of northern cod off Newfoundland, it was quite possible that by the early 1990s you could get 400,000 TAC without any problem. Well, that is not the case.

The marine biologists and oceanographers are the first to concede that the vast oceans around this continent are hiding a lot of data that they do not have. Nobody can foresee with certainty what mother nature will do from one year to the next.

I want to take a bit of time and simply put on the record some of the things that my ministry is attempting to do through the Atlantic Canada Opportunities Agency to alleviate this difficult situation. I would like to put this on the record. My colleague from South West Nova read a very interesting letter into the record. I think this would be at least as informative as the letter that she read, although I have a great deal of sympathy with what her constituent said.

• (1550)

We have, through ACOA, contributed in excess of $50 million to alleviate some of the problems inherent in the fisheries in Atlantic Canada. We have done so in different ways. We have contributed to a national centre for fisheries innovation which is a joint venture in Newfoundland between Memorial University and the Newfoundland and Labrador Institute of Fisheries and Marine Technology. This is something that is very useful for the future of the fishery. This centre's mandate is to focus intellectual and technological resources from the university, the institute and the private sector on the particular problems of the Atlantic fishery so we will understand more of the root causes that make this such an important industry to control, to the extent that this is possible. This is with the goal of making the industry more productive and profitable. Also, the centre will assist in creating markets for traditional under-utilized species by emphasizing quality control, packaging and productivity, something that will allow us to get value-added and other attributes that are necessary to keep this industry productive and to enlarge it.

ACOA's action program also provides operating funding to the Canadian Centre for International Fisheries Training and Development which was established in 1986 to market Canadian fisheries expertise world-wide. ACOA has contributed $7.5 million of its action program funds to the creation of the Canadian Centre for Marine Communications which will provide the first applied research and development facility mandated to help marine communications industries in Canada. This centre is committed to market-driven research and development work. It will benefit the small and medium-sized high technology firms in Atlantic Canada which are already seizing opportunities to develop marine communications products that can be manufactured in the Atlantic region for sale to world markets.

As these three centres gain impetus, they will focus the attention of international markets more and more upon Atlantic Canada as a region to be reckoned with. The gain of small fishermen is multiple. They will receive access to first-rate technology equipment and training, exposure to sophisticated marketing techniques and participation in a dynamic, multi-faceted industry.

I think again it is only fair to point out that the Minister of Fisheries and Oceans, the Secretary of State for External Affairs and the Minister for International Trade are together taking every step that is possible in a reasonable way to find ways to enhance, improve and foster the prosperity of the fisheries on both coasts of this country. For my hon. friends to say that the minister of fisheries does not care or that he is not faithful in his duties or that he does not visit the regions is patently false. She knows that. I know that when you are getting into partisan debate on something as important to Atlantic Canada as fisheries, there is always the temptation to get into these similes and metaphors.

Perhaps, to paraphrase the late Ogden Nash, one thing that Canadian politics would be very much the better for would be a more restrictive use of simile and metaphor,

particularly when it comes to dealing with something that is as important as fisheries is to Atlantic Canada.

As my colleague from Burgeo pointed out, there are literally hundreds—I believe 1,300—communities in Atlantic Canada which are essentially dependent on fisheries. They are, in effect, a special kind of one-industry towns. It is more to these people than just an industry in the classic sense, it is a way of life. They have seen these cycles happen before. Many of them are frustrated. Many of them think that their government does not care. This is not true.

This government does care. The minister of fisheries cares. We are doing everything we can to cope with a very difficult situation. As more support is required, this government will come forward and provide that support as we have in the past to other sectors in Canada which were falling on difficult times.

Mr. MacLellan: Madam Speaker, as the hon. minister knows, being the minister responsible for ACOA, other than the funds that he has, there are a great many other things that need to be done and can be done in Atlantic Canada. One of those things is funding for small craft harbours.

The lack of fish is one very serious problem, but it is not going to be a problem for the fishermen in northern Cape Breton and Dingwall, Pleasant Bay and Bay St. Lawrence if some dredging is not done because they are not going to be able to get their boats in and out of the harbours. It is really becoming critical. Unless these fishermen can fish with catamarans, in another year or two they are going to be completely out of luck.

I would ask for the minister's comments on what I think is a very important concern about a service that must be provided.

Mr. MacKay: Madam Speaker, I agree with my colleague that it is imperative that the proper infrastructure and assistance be given to fishermen so they can bring their catch ashore and have a safe place to anchor their vessels. He knows there is never enough money for this sort of thing, but I remind him that in the not too distant past, this minister of fisheries spearheaded an attempt to raise an extraordinary amount of money, I think close to $100 million at the time, to do a lot of this kind of dredging infrastructure that was required.

I understand what he is saying and I undertake to him that I will see what can be done to work to allocate more funds. This is something that is very worth while, and to the extent that our resources will permit it, I will make an extra effort to see if we cannot be of further assistance.

Mr. Reid: Madam Speaker, the minister has talked about the Atlantic Canada Opportunities Agency and the number of tremendous things that have been done in support of the development of the fishery.

One of the things that I frankly had some difficulty with in dealing with ACOA on, and one of the very few, I must admit, has been my attempt repeatedly to find support for resources to develop fish plants. Quite a number of times, I get asked for my support and obviously I give it, but there have been a number of occasions and I think of one in particular in the community of Marysvale where a young couple had put together a proposal and were prepared to do a tremendous amount of work in developing this fish plant.

I wonder if the minister could comment a little bit about ACOA's role in the development of fish plants and some of the things that they have had to contend with in this area.

Mr. MacKay: Madam Speaker, it is difficult to decide sometimes whether it is feasible to support further capacity in an industry where there seems to be a shortage of supply, but we like to look at these things in our ministry on a case-by-case basis. I understand the frustrations of my colleague and other members who would like to see more ACOA assistance and the mandate of ACOA widened and extended. I will take that as a representation and see what can be done.

Mrs. Coline Campbell (South West Nova): Madam Speaker, I hope the minister pays that much attention to everybody's clothes. I am sure that was not the most important thing that I said here today, the statement made by my clothes. I think that it was so inappropriate. I say there are people hurting, never mind what people are wearing.

I would like to ask the minister how he relates to Premier John Buchanan's statement on Friday last that

this minister is focusing on the wrong thing, he should be focusing on the foreign overfishing as well as listening to fishermen rather than to his scientists.

Mr. MacKay: Madam Speaker, Premier Buchanan, naturally is concerned, as my colleague is, about the fishery in Nova Scotia. He too is reacting to some extent out of frustration, I believe. No one cares more about the fishing industry or the people of Nova Scotia than John Buchanan, but at the same time, the provinces as my colleague knows, control the issuing of licences. I think it is fair to say that the province of Nova Scotia perhaps was a little too generous and may itself have contributed to this problem by issuing licences without sufficient study as to whether the capacity to sustain those licences was there.

I think it is true that many of us, including myself and herself and the minister, at times are not perceived to listen closely enough to the fishermen. I have great respect for them. I can relate to Premier Buchanan's comments in that regard.

I think the fishermen have a better track record by far in producing logical data and observations than some of our highly paid and esoteric marine biologists and oceanographers who are so technically oriented that they sometimes lose track of some of the practical and empirical observations that people in the industry make every day.

• (1600)

The Acting Speaker (Mrs. Champagne): Resuming debate with the hon. member for St. John's East.

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, the debate that we are participating in today should be one of the most important debates that I hope this chamber deals with in the next period of time. Today, I was supposed to speak to a large number of people in St. John's on exactly this topic. As has been obviously the case with members on all sides of the House, this is the place where I have to be to discuss what is clearly one of the most important issues that faces all Canadians, not just Newfoundlanders and Labradorians, not just Nova Scotians, not just Atlantic Canadians, but all Canadians. That is the challenge that we face in our fishery.

A number have said over a period of time, and this motion infers it as well, that this government does not care about the Atlantic fishery. More to the point, it has been said by my friends opposite that the government does not acknowledge that there is a problem in the fishery. The first thing that my colleague, the Minister of Fisheries, said this morning was exactly that we face a serious challenge in dealing with the potential problems that our fishery and all of those who participate in it and depend on it face.

It is not just a challenge of fish. It is not just a challenge of the number of plants, the number of jobs, and the number of trawlers. More than anything, it is a challenge that deals with people. It is a challenge of communities, of families. It is a challenge that is about the very essence, particularly of Newfoundland and Labrador. It is about our culture, our history, and our lifeblood. Perhaps more than anything, it is about our future. It is the concern for that future that has motivated this government.

First, we recognize that the challenge we face in the fishery is not just a fish problem in Atlantic Canada, but a national problem of economics and a national problem to deal with Canadian people. It is that motivation that has made this government move ahead on a number of fronts to address the problem in a realistic and serious manner, not just to woe the situation or to bleat about what is wrong, but to try and come to terms with what we face as we deal with the quota question, for instance.

What is going to be the impact in the fishery if we have to reduce the quota from where it was in 1977 on, or from what we hoped and thought it should be? Quite clearly, we are going to have to reduce that quota. But the government must say to itself, and we all must say to ourselves, what does that mean for the fishery? First, what are the impacts on the fishery? Once we know what it means within the fishery, what is it going to mean to the economy around and depending upon the fishery? Again, and perhaps most important, what, therefore, does that matter to the people? What does it matter to the families in the communities that depend on that fishery and that economy?

There is a growing recognition that these things come together, that they are interlinked, that they are involved, that one depends on the other, that one flows from the other. Therefore, there must be a comprehensive approach to the problem. There must be a comprehensive approach to knowing what may happen, what

could happen, and then knowing what we can do, not just the Government of Canada, or just the Department of Fisheries, or just the government in Newfoundland and Labrador, or the government in Nova Scotia, or one company, one union, or one community, but what all of us together must come together to do, what all of us together must realize has to be done. How do we deal with that?

In recognition that this is a national issue, the Prime Minister appointed a cabinet committee of senior cabinet ministers from right across the country, including my colleague who spoke just before, including the ministers who are particularly pertinent to the issue, but chaired by the Secretary of State for External Affairs, the former Prime Minister of Canada, to focus the government in dealing with the problem not, as I say, just in terms of fisheries but to bring together all the resources of government. Bring them together and ask, "What have we got to deal with? What are the resources we have in hand to deal with the problem? What resources do we need that may not be there?" On top of that, we should ask, "What are our options? What other things can we do?"

In support of that committee there was a group of very senior public servants appointed from a variety of departments, employment and immigration, fisheries and oceans, a little help from external affairs, a little help from ACOA, and employment and immigration in Newfoundland as well as in Ottawa, to try to deal with the problem and to give ministers advice.

So what did they do? They consulted. They talked to communities, to provincial governments, to unions and to companies. They have had reports and papers and pieces of information from all over. They have gathered their own information which will form the body of knowledge, and the body of advice to which the government will respond in an organized, realistic fashion, in a way that we will know what the problems are, what the approaches must be. It must not be an attitude of just sit by or act all of a sudden out of the blue.

The government has also taken a series of approaches to deal with the serious problem of overfishing, of people from foreign countries taking fish outside the 200-mile limit. This did not start last night. This did not start last month. It has been going on for a period of time.

In 1986 this government undertook some new scientific studies, Not only did we do that, but we substantially increased the penalties for foreign overfishing. We increased the surveillance. We closed our ports to countries that were not prepared to co-operate and comply.

In international bodies like NAFO we have been trying to make these countries recognize a fundamental point that what we are dealing with here is an ecological problem, that if we all talk about sustainable development around the world, we should look in our own back yard. If we cannot sustain the fish stocks in the north Atlantic that we have all historically depended upon, if we are going to rape and pillage, it is not going to serve our interests and it is not going to do anybody any good.

So we have moved on that. The Prime Minister has spoken not only to individual heads of state and government leaders in Europe, but also to the European community collectively, as has the Secretary of State for External Affairs, the Minister of Fisheries, and the Minister for International Trade. fishing", but "Look, you are threatening us, you are threatening yourselves. We like to think we are both fairly substantial players in this world. You are threatening a very important relationship, and that relationship has been affected by your actions."

We have also gone to the Europeans, and my friend the Minister for International Trade is just returning from Europe. He said to the European public: "Look at what you are doing. Look at what your governments are doing. Look at what effect it is having not only on your friends across the ocean but on the environment that you are so proud of and that you talk so much about."

It is no good to stand up in this House or otherwise and say: "All this is wrong. It is your fault. Look at what you have done." We must be able to stand up and say, as this government has said, that there are problems, and we will together solve them.

In conclusion, I would like to quote from a press conference of the Premier of Newfoundland and Labrador on October 5, 1989, in which he states:

"I am pleased to note that the federal government is also seized with the seriousness of this problem." When dealing with overfishing in a radio broadcast on VOCM with Mr. Bill Rowe the Premier said: "The European overfishing is still a major problem, but again it would take a whole program to get into it. The government is dealing with it and I must give credit to the federal

government and to Mr. Crosbie for the effort they are making."

• (1610)

On the question of science, the federal government is taking the matter seriously now. The premier said: "I don't blame the federal government, in the blameworthy sense. Frankly, if Newfoundland and Labrador had had the jurisdiction we would be relying on the same scientists".

The level of co-operation between the two levels of government is exactly the sort of approach that collectively we must all take if we are going to deal with this problem, if we are going to have a viable, professional, long-term fishery for our future. If not, we may never get there.

Mrs. Campbell (South West Nova): Madam Speaker, I am glad that the hon. member for St. John's East mentions the co-operation he is getting, or seems to feel the federal government is getting, from the newly elected Liberal premier, Premier Wells. I cannot see that this is happening in Nova Scotia with Premier Buchanan and Mr. Siddon.

We have seen the Haché task force, we have seen Stein task force, we have seen the Harris task force and in all of those we have had hundreds of hours of work put in by people within the community: fishermen, fish plant owners, community leaders and others, who spoke about the problems.

What was wrong with the Haché task force was the fact that the minister thought it should concentrate only on the inshore and only on over capacity. I cannot say that I heard anybody talk only on over capacity. Certainly those from the province of Nova Scotia talked about the management of this minister and his ability to manage the fish.

Premier Buchanan came out last week and spoke about his inability to understand this minister not listening to the fishermen or to the people who work in the industry. I am glad that in Newfoundland you have such a good arrangement between a Liberal government provincially and a federal government. I am glad for the hon. member that he does not have our type of problem and that his fishery seems rosy.

But, I will say this and I will ask the member again, does he feel that the inshore fishing community in Newfoundland, in the Gulf, in Quebec, and in Nova Scotia, Scotia-Fundy—and I say Scotia-Fundy contrary to the impression that the minister for ACOA left that it was only in the southern end, Scotia-Fundy covers most of Nova Scotia except his own area, and it goes into New Brunswick for those figures—has capacity enough to catch and process all the traditional stocks, including some of the northern cod in his area?

Does he feel that the inshore fishery can catch all the traditional stocks, and that a good role for the offshore vessels would be to replace the foreigners who are fishing? If we had any activity out there, we probably would not see the foreigners coming into the waters because it would not pay them to come.

Does the member have it in his mind, because he is parliamentary secretary and maybe he could influence the department, that the inshore communities that are so dependent and the offshore plants in those communities could process all of the traditional stocks, and that the offshore should probably be directed to go and take over where the foreigners are fishing within the 200-mile limit, and therefore, eliminate the problem that is there presently

The Acting Speaker (Mrs. Champagne): Before giving the floor back to the hon. member for St. John's East to answer, I would like to explain to people who are watching us what is happening this afternoon, because it has not been put on the record officially. Some members have decided to share the normal 20-minute period so we have divided the normal 10-minute period of questions and comments into two five-minute periods. understand what is happening.

There is but one minute left for the hon. member for St. John's East to answer his colleague who has taken four of the five minutes.

Mr. Reid: Madam Speaker, one minute is obviously not enough. Frankly, it is going to take that long to be sure of the question I was asked.

First, the provincial minister of fisheries in Nova Scotia, the member representing Pictou County in Nova Scotia, has been very co-operative and very helpful, as have been provincial colleagues. I cannot answer the question in one minute—

Mrs. Campbell (South West Nova): You were misquoting the Minister of Fisheries for the province who said Ottawa should force quotas against the foreigners.

The Acting Speaker (Mrs. Champagne): The hon. member for St. John's East has the floor.

Mr. Reid: Thank you, Madam Speaker. One of the problems that we face and it was brought to my attention quite graphically in Bonavista when I participated with fishermen this weekend in dealing with the question is that more and more of what we have called inshore fishermen in Newfoundland have been forced to move farther and farther out in bigger boats with bigger equipment. The question then becomes, are they taking fish that would normally be counted in the offshore quota within Canada? We have seen less and smaller fish on the traditional inshore. That question and that answer have many implications in a number of areas.

Mrs. Campbell (South West Nova): Of course.

Mr. Reid: Quite clearly it is a problem that we have been forced to confront in Nova Scotia.

Mrs. Campbell (South West Nova): And in Newfoundland.

Mr. Reid: As we deal with what we have to deal with in the next little while in Newfoundland we will have to deal with it as well. But to suggest that those boats, the trawlers and others can immediately go over the line, or I think you are saying, catch the fish that is being made available to foreigners inside the zone, considering the process that we go through in terms of offering that fish to Canadian companies, we must ask whether they can take it, whether can they process it and whether they can they market it?

Silver hake is one example. The whitefish from other places have taken silver hake out. There are all sorts of silver hake sitting in Hubbards. We cannot sell it. People cannot get it if they cannot produce it. I could go on—

Mrs. Campbell (South West Nova): Help them sell it. That is your role as a government, to help them sell it.

The Acting Speaker (Mrs. Champagne): Resuming debate. My best wishes to the hon. member for Cardigan.

Mr. Lawrence MacAulay (Cardigan): Thank you, Madam Speaker. I appreciate this opportunity to speak on a motion that is before the House. As a member of Parliament for Cardigan, Prince Edward Island, the issue is especially important since the fishing industry is of vital importance to my constituents and my fellow islanders. Never before has the fishery been in such dire straits. The crisis the Atlantic fishery is currently facing has been brought on in large measure by the insensitivity of the Minister of Fisheries and Oceans to the industry's needs.

It might do the minister good to come to Cardigan or anywhere else in Atlantic Canada and see for himself the hardship this crisis is causing. Perhaps if he would look into the eyes of a lobster fisherman who has no market for his product or into the eyes of a child whose mother or father has just lost his or her job at the fish plant, maybe then he could do something for these Cardigan families.

I see these people all the time during my travel in the ridings. Fishermen are angry, angry at how they have been treated, angry at the lack of action from Ottawa. Fear and nervousness are running rampant among Island fishermen and fish plant workers. All about them they see declining stocks, loss of markets, fish plants closing, cuts to the UI program and increasing taxes. If we do not have enough problems with our own government's policies, now the giant to the south of us is rising to strike what might be the final blow to the industry.

The Americans are threatening us with legislation that could ban minimum sized Canadian lobsters from the U.S. market. The U.S. scored a huge victory this week in the first decision of the binational panel under the free trade agreement on Canadian fish landing rules.

Atlantic Canada has suffered greatly at the hands of this government. The fishing industry is the lifeline of our region. This industry is fundamental to the Prince Edward Island economy. It is the second largest industry in our province, second only to agriculture. It is also, a primary and seasonal resource industry which has taken more than its fair share of punishment from this government.

• (1620)

On P.E.I. there are 2,500 fishermen, 1,400 helpers and about 2,500 fish plant workers. These people account for

about 10 per cent of the island workforce. The industry injects $200 million into the provincial economy. Fisheries exports make up about 30.7 per cent of the province's total export. This year we have had the most dismal fishery that our island has known for a long time.

It is hard to believe that a person at the helm of this sinking ship refuses to admit that the ship is going down. Everyone knows you cannot deal with a problem unless you admit that you have a problem. Yet, the Minister of Fisheries and Oceans sees only blue skies and not a cloud anywhere.

Ignoring the problem seems to be a favourite trick of this minister. Last weekend I questioned him on his department's misleading the P.E.I. tuna fishermen. The government changed the rules of the game after it started. It removed the traditional right from the P.E.I. fishermen to fish in the Atlantic off Canso. The minister admitted his officials misled my constituents. In the next breath he was gloating about the prosperous season these tuna fishermen are having.

To add fat to the fire, the minister then claimed there were no rights written on commercial fishing licences. I have seen these rights on licences with my own two eyes. I have a copy of the licence right here, if anyone is interested. Fishermen in eastern P.E.I. are fed up with this minister. They are fed up with being deceived.

The lobster fishery in P.E.I. represents 70 per cent of the total value of island fishery. This season our lobster fishermen have been plagued by low prices due to a glut in the international market. The Canadian dollar is too strong. Our lobster is not competitive when the dollar is strong. The government could have helped prevent this glut. It could have lowered interest rates and brought down the dollar. Instead, this government has not seen fit to do that.

Lobster fishermen have long recognized the risk of limiting our market to the U.S. The government must assume leadership and develop other markets for this essential export.

Lobsters come second after our world famous potatoes in Prince Edward Island in exports. Now there is a storm brewing on the horizon that could indeed lead to the shutdown of my province's second largest industry.

Currently before the Senate and the House of Representatives in the U.S. Congress is a piece of legislation that has proposed to limit the import of Canadian minimum-sized lobsters into that country. This would surely be the straw that broke the camel's back.

Prince Edward Island exports 70 per cent of its canners to the U.S. Where will we send that 70 per cent of canners if this legislation is passed? What will happen to the fishermen, their helpers, and the plant fish workers? Why would the Americans attempt to do this in the first place if they did not see Canada as too weak to fight them on the issue?

Is it any wonder that the majority of Atlantic Canadians voted against this government and the free trade agreement in last year's election. The situation is bad enough right now without predicting what is in store for us. Until last week, there were 11 fish plants in my riding. Now there are 10.

The community of Marry Harbour is still reeling from the closure of the fish plant last week. The plant processed lobsters, groundfish, herring, herring roe and other species. It provided jobs for up to 200 seasonal workers. Now who do the fishermen sell their fish to, and where do the 200 seasonal workers go?

It is unbelievable in the light of such a crisis that the government is proposing to change the UI program, to remove the safety net. People in P.E.I. are not being fooled by the government's fancy reallocation of funds. The truth is that in P.E.I. 1,700 fewer people will be eligible to claim UI and the benefit period for 7,000 people will be cut shorter because of the proposed changes to the program.

Is that any way to treat people who are in a crisis, kick them when they are down? Does the government want to train these people to work in some other industry in central Canada?

The fishery is an integral part of Canadian history and heritage. People in Cardigan are proud to live there. They want to continue to live there and work in the fishery. It is time this government woke up and realized that the people who collect the harvest from the ocean at each end of this country deserve better. They deserve to enjoy the same income security and standard of living as those people in central Canada.

Mr. Proud: Madam Speaker, I want to congratulate my hon. colleague from Cardigan for his excellent speech.

I would like to make a few comments. The fishing industry of Prince Edward Island is responsible for 30.7 per cent of the province's exports. Together with tourism and agriculture, it is one of the big three economic staples of our province.

The economic contribution that the fishing industry makes to Canada, particularly on the west coast and in Atlantic Canada, is significant. The fishing industry's contribution to my province's gross provincial product is approximately 13 per cent. In Nova Scotia it is 11 per cent, while in Newfoundland it is the highest in Canada, at about 15 per cent.

In Atlantic Canada, there are over 100,000 fishermen and fish processors. They all depend on a stable Atlantic fisheries industry for employment. Now with lower quotas being imposed by the federal government, these Canadians are looking square into the eye of the storm,"hurricane unemployment". Federal scientists are now recommending even further cuts to an already beleaguered Atlantic fishing industry. They are recommending cuts to fish quotas for next year, while at the same time our federal ministers of international trade and fisheries are having no success in convincing the European community to halt its over-fishing. Once again the EEC is refusing to adhere to quotas set by the Northwest Atlantic Fisheries Organization.

It will not adhere to the conservation measures established by NAFO last month. We have the minister giving assurances that Atlantic Canadians have a right to expect that the European community will reduce its self-appointed quotas.

The Acting Speaker (Mrs. Champagne): I am sorry to interrupt the hon. member, but I thought he was rising on a question or comment on the hon. member from Cardigan's intervention. Is he? The hon. member may continue. The hon. member from Cardigan has a response? No further questions or comments. Resuming debate.

Mr. Joe McGuire (Egmont): Madam Speaker, members on this side of the House have been and will continue to draw the true picture of the present crisis in the east coast fishery and the pending disaster in the west coast fishery which will result from the recent bilateral panel ruling.

My colleagues from Nova Scotia, New Brunswick, and Newfoundland, have adequately addressed many of the problems of the off-shore and other particular fisheries. For my part, I will address my remarks to the Atlantic and the Prince Edward Island lobster fishery and the present and future of that fishery.

The many-headed hydra of free trade which has just struck down the west coast fishermen is preparing to strike the east coast lobster fishermen. Yes, the free trade agreement which was supposed to give us assured entry to the great American market is actually going to limit entry to that market-place for the Atlantic lobster fishermen.

This is what is happening. Over the years, Canada has managed its fishery. Anyone who knows anything about fisheries management realizes it is a most difficult task, but it has been one which Canada pioneered, because it realized a long time ago that the resource would disappear if good management practices were not implemented.

As a result of this realization, Canada instituted seasons, quotas, limited entry and minimum size in order to preserve stocks for future Canadians and to ensure the present generation of fishermen the opportunity to earn a good living for themselves and their families.

The Americans instituted no such policy. The American way was to fish a stock to its death and then move on to another stock. Take the Alaskan or king crab, for example. American fishermen fished that stock to near extinction and abandoned the fishery.

• (1630)

The American lobster fishermen who until now had implemented few lobster management practices in the past have had to increase the minimum lobster carapace for size in their fishery in order to conserve their stock.

The Americans now have a minimum carapace size of 3.25 inches. This will give their lobsters a chance to spawn a number of more times before they are fished. This should result in more lobster in the future for American fishermen.

The Canadian minimum carapace size is 2.5 inches which is three-quarters of an inch smaller than the minimum American size lobster.

Fishing the smaller sized or canner lobster does not appear to have affected our fishery. This is due to our history of lobster management practices, our seasons, our licence buy back program of some years ago, the limited entry policy of the fishery, and the superior environment which exists for lobster propagation when compared to the American waters. In fact, our lobster landings have increased steadily over the years.

As the American lobster industry declined our exports into the American market increased to the point where more than 50 per cent of lobster consumed in the United States is imported from Canada. Of course, the Americans do not like this situation. They realize that if they can limit the amount of lobster imported from Canada they will get a much higher price for their own lobster.

During the free trade negotiations Senator George Mitchell of Maine, who is now the U.S. majority leader in the Senate, tried to get import limitations included in the free trade agreement in regard to potatoes and lobsters. President Reagan agreed to the limitation on potato imports under certain conditions but dropped restrictions on lobster imports. The American fishermen and Senator Mitchell were undeterred by that failure or failure to get federal GATT ruling on lobster imports from Canada.

The American Senate and House of Representatives have now introduced coincidental legislation to make it illegal to import lobster below their own minimum size of 3.25 inch carapace size. In the Senate, Senator Mitchell and others have proposed an amendment to the Magnuson Fishing Conservation and Management Act which states:

> —To ship or transport, or cause to be transported, or to sell in interstate commerce or foreign commerce any whole lobster or part thereof, of the species Horarus Americanus (whether fresh, chilled, frozen or otherwise preserved or prepared) that is smaller than the minimum possession size in effect at the time under the American Lobster Fishery Management Plan or any successor to that plan.

This means that Canada's export trade to the U.S. in lobster will be almost totally destroyed if this amendment is implemented.

All our canner size lobster, that is, those in the 2.5 inch to 3 and 3/16 inch carapace measurement could not be exported to the U.S. and a considerable portion of our market lobster, that is, those in 3 3/16 inch and over carapace measurement, are below the Canadian limit of 3 1/4 inches. This 3 1/4 inches will rise to 3 5/6 inches by 1992. That means that in 1988 more than 60 per cent of P.E.I's lobster exports were marketed in the United States. If this new American legislation becomes law, 75 per cent of that total would be affected.

Lobsters constitute two-thirds of the value of P.E.I.'s fishery and one-quarter of the total value of all our exports to the United States. In short, if P.E.I. is unable to export lobster to the U.S. as we do now under the present laws, our lobster fishery will be drastically reduced. An overabundance of supply would result in very low prices.

This American action is a thinly disguised barrier to trade. Conservation of lobsters is the excuse. How is limiting entry of Canadian lobster to American markets going to help conserve American lobster stocks? It will not.

It is a red herring. All that will result if American import controls are implemented is an increase in price to the American fishermen and the ruination of Canada lobster fishery. That is why P.E.I. lobster fishermen are so concerned about what is happening in the U.S. Congress. What is the Congress using to legitimize its actions? Nothing less than Article 12 of the free trade agreement, and I quote from American support documents:

> In 1988, the Senate Finance Committee recommended a provision for inclusion in the U.S.-Canada Free Trade Agreement enabling legislation that would have directly prohibited imports of lobster which did not meet U.S. standards.
>
> The provision was introduced by Senators Mitchell, Cohen, Kerry, Kennedy, Fell and Chafee. The provision was dropped from the enabling legislation signed into law by President Reagan. Although the provision was not enacted, Article 20 of the General Agreement on Tariffs and Trade (GATT) and chapter 12 of the U.S. free trade agreement still protect the right to enact such conservation measures.

This is the legal basis that the U.S. is now using to restrict imports of Canadian lobster.

In the synopsis of the free trade agreement published by this government, GATT Article 20 can justify import and export control measures if a country wants to preserve a commodity in short supply if they do not

constitute an arbitrary, unjustified or disguised restriction to trade.

Eventually this action will go before the dispute settlement mechanism of the free trade agreement where, if the west coast fishing dispute results are any indication, Canada will have to look elsewhere for markets or be forced to increase carapace size to meet American requirements.

Not only are we being blackmailed into increasing the minimum size of landed lobster by the Americans. Are we to be subject to American fisheries inspectors in our canneries to inspect lobster meat going into cans destined for the American market? How else will the Americans know what size the lobsters are that go into cans?

There are serious implications for our sovereignty if the congressional amendment becomes law. We will have the U.S. dictating to us what our conservation policy will be after mismanaging theirs. We could have American inspectors in our plants telling us what we can or cannot process.

What is our government doing to head off this impending disaster? What assurances are they giving our lobster fishermen that their interests will be looked after? The indications are not good that the Canadian government can be trusted to support our fishermen.

Let us take, for example, the words of our Prime Minister when he visited President Bush at Kennebunkport in Maine in September past. Our Prime Minister was quoted as saying that Bush "advanced some persuasive arguments that I have instructed my office to begin examining. This matter which is very important to the United States will be resolved in much the same manner in which we seek to resolve others; in a friendly and constructive spirit." He continued to say: "The President was big on lobster today, I was big on pork."

The Prime Minister did not say: "This matter is very important to Canadian east coast fishermen who stand to lose $100 million." No, he said: "This matter is very important to the United States".

Not only are Canadian fishermen fed up with the minister of fisheries who refuses to deal with our crab fishermen, banned our tuna fishermen from traditional waters, seems incapable of policing foreign fishing quotas which are destroying our northern cod stocks, but sadly east coast fishermen cannot rely on the Prime Minister either to look after our interests.

Canadians, it has been said, are the last boy scouts in the international market-place. Canada cannot allow this U.S. move to curb our exports of lobster. GATT should be advised immediately. We won there before and we can win there again. Our Prime Minister and our Minister of Fisheries and our Minister of International Trade must take the initiative now to stand up and fight for our fishermen.

Mr. Reid: Madam Speaker, I thought perhaps it would be helpful or appropriate to in fact answer my hon. friend's question about this problem that we face in terms of carapace size and the action in the United States.

As I think the Prime Minister has quite clearly indicated in this House—I could stand corrected—on October 6, he made it very clear that he had given specific instructions that our ambassador make strong representation to the Government of the United States. Of course that has been done in a diplomatic note as of I think October 10 where we have made it clear that we do not support this action.

There is no justification on conservation grounds for prohibiting the import of lobsters legally caught in Canadian waters. These imports in no way jeopardize U.S. conservation regime for lobster stocks within their own waters. Therefore we feel strongly that we must protest and we have done so. I think we feel strongly that our case is right. I just want to reassure my friend that this government will continue to pursue this matter in the interests of Atlantic lobster fishermen.

• (1640)

Mr. McGuire: Madam Speaker, I am very happy to hear those remarks from the hon. member. The whole basis of the American action to use the excuse of conservation to limit our imports is totally irrelevant. I do not see how it can ever stand. I am very happy that the hon. member has assured us that the government is fighting this and will be protecting and standing up for our fishermen in Atlantic Canada.

Mrs. Campbell (South West Nova): Madam Speaker, I have a question for the hon. member. When we deal with the lobster problem—maybe the hon. member can correct me—but I cannot recall that the size of lobsters have changed over the past 15 years as to what is being

caught. Has the supply of lobster in your area decreased over the last 15 years?

I know that this year you had an oversupply of lobsters and a poor price. The actual supply of lobsters, because of the size caught by the lobster fishermen, has it gone down? We have been catching lobsters for a good long time. It has been a good marketable entity for Canadian fishermen into the U.S. and other markets. Has the volume of the lobster catch decreased?

Mr. McGuire: Madam Speaker, I thank the hon. member for her question. The volume of lobster in Prince Edward Island has been steadily increasing over this past 10 years, since 1978. Not only has the volume been increasing, but the price to the fishermen has been decreasing. In the fishery sector it is the bread and butter of our total fishery.

This year, because of the stagnant markets and the inventories that exist in Europe, and particularly in the United States, we have been unable to get rid of our present inventories, which has resulted in a depression of our prices. If we had to abide by this proposed American legislation on top of having an overabundance of lobster on our hands now, this would be a disastrous year. Instead of a poor year it would be a disastrous year.

Mr. MacAulay: Madam Speaker, I would like to thank the hon. member for Egmont for his fine message. I am well aware that he was born and reared in a fishing area and is well aware of the role of small craft harbours and repair to harbours.

I was wondering if he is having any of the problems I am having in Grahams Pond and Savage Harbour and MacAuley's Wharf. Along with being a major problem for the fishermen, a place to put their traps and tie up their boats, it has also become an environmental problem. We also have a problem at Sturgeon Wharf. In Savage Harbour we are having major problems with the black wall. If these things are not repaired in my district, it is going to create a major problem. Are there any of those problems in your district?

Mr. McGuire: Madam Speaker, I would like to thank the hon. member for Cardigan for his question. The underfunding of small craft harbours in Prince Edward Island is an ongoing concern to the fishermen. There is more to fishing than just going out and fishing. They need a safe harbour and wharf facilities in order to do the job properly.

For example, the harbour of Tignish, which is one of the largest harbours in Prince Edward Island, needs about a million dollars in repairs now, which is not going to happen this year. This is causing a lot of hardship to our fishermen.

I just want to say that the budget for small craft harbours, as far as P.E.I is concerned, is really poor. We need a lot of extra investment in our fishery so we can have safe harbour and good fishing facilities for our fishermen.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, I am pleased to respond to the motion on the government's record with respect to workers in communities involved in Canada's fishing industry.

The Canadian fishing industry is and always has been an integral part of the country's economic framework. It has been the lifeblood of many Canadians for hundreds of years. Yet, while this industry has a long and proud history in our country, it is, and not for the first time, facing a difficult period created by depleting stocks and changes in international marketing conditions.

Despite these circumstances I want to assure those men and women who make their living from the industry that the federal government is well aware of their situation and is working hard to develop measures to help them through this period. Indeed, this is in keeping with our track record. We were there before when the fishing industry workers needed us. We are there now, and I promise you we will be there in the future.

As you know, Madam Speaker, the fishing industry is a volatile one, affected by weather, market and conditions not under its control. This reality has compelled the fishing industry to be both flexible and adaptable. Likewise, we will show equal flexibility in ensuring that our programs and services meet the needs of the communities and the workers affected.

Any response to that industry must be viewed within a larger international perspective. Change and volatility are the watch words of our times. I might say that I was recently in Manilla in a factory that was making the huge drift-nets for the Pacific. I was trying to dissuade them. I saw their huge nets being made for tuna fishing, three times the size of anything we have seen before, and new

boats being built to pull those nets. The nets would be twice the size of this chamber. They built a special factory for them. That is the sort of thing that we have to look at down the road.

To succeed in this environment we must be open to new ideas and the need for flexible and imaginative responses. We must continue to build our human resources by focusing on long-term employment and skills development. We must also stick to our fiscal principles.

This government has made much progress in improving economic conditions in less favourable regions in the country which affect many areas that count on the fishing industry for their livelihood.

For example, progress has been made through the introduction and the development of the Canadian Jobs Strategy or CJS since it began in 1985. It has helped countless Canadians to get the training and the work experience they need to find productive employment. This program has been well received in the fisheries sector. In the last fiscal year alone, the government directly invested $17.4 million in Canadian Jobs Strategy projects in the fisheries sector.

This strategy's success stems from the fact that its objective is to create long-term jobs and to build for the future. To do that, Canadian Jobs Strategy must take into account the local needs. What may work in a metropolis like Montreal or Toronto may not work in a fishing village in Newfoundland.

While we are proud of what we accomplished with CJS, we know we can do more. That is why we have developed the Labour Force Development Strategy. The Labour Force Development Strategy builds from the Canadian Jobs Strategy foundation. It provides additional clout to those programs and services we already have in place.

The Community Futures Program, which is in place in many fishing communities across Canada, illustrates my point. Community Futures has made great strides in helping small communities adjust to economic change. It employs a wide range of options to help these communities diversify their economies and increase employment opportunities.

One community that has already done well with the program is Port aux Basques in Newfoundland. Through determination and ingenuity companies were recruited to open plants in Port aux Basques. One of them, a Norwegian fabricating company, will create more than 200 jobs when this plant opens later this year. Additional employment will be created by several Canadian companies that have also set up shop there.

• (1650)

As well, almost $1 million in Community Futures funding has been used to train 120 residents as high tech welders, pipefitters and sheet metal workers. Seventy of these trainees are now working full time; another 30 are working part time; and the remainder are still in school. They have also assisted 24 residents in starting their own businesses through the program's self-employment incentive.

This entrepreneurial alternative allows people to create their own opportunities and that definitely is one way of addressing the problem of local unemployment. You can see why the Community Futures Program will receive an additional $50 million under the new Labour Force Development Strategy.

We are also doubling funding for the industrial adjustments service from $15 million to $30 million. This program has more than a quarter of a century of success behind it in helping companies to adjust to technological change, preventing lay-offs, and assisting employees when lay-offs are inevitable. The industrial adjustment service has entered into hundreds of agreements such as the one recently negotiated with the National Sea Products plant in Lockeport, Nova Scotia. We are sure that the same measure of success that has resulted from other agreements will be repeated here.

As you know, Madam Speaker, the Labour Force Development Strategy measures for helping fishing industry workers encompass more than enhancements to existing programs. Our government has always taken into account the needs of Canadian fishery workers. In the past, special measures have been taken and we are prepared to act again.

While our government takes measures to ensure the long-term prosperity of the fishing industry, some communities need short-term compensation. They will also need extra protection from situations such as adverse weather conditions that affect their standard of living.

More than ever before, we realize that increased assistance for affected fishery workers is linked inextricably with the future of many communities. The department is assessing the situation to determine the type of assistance these regions will require this year. Special measures are available to genuine fishermen and fish plant workers. And eligibility requirements for these special measures are tailored to the needs of these people.

In conclusion, I want to reiterate our government's concern for the problems facing the men and women employed in Canada's fishing industry. As you can see, Madam Speaker, this concern has been translated into initiatives that offer them opportunities suited for their particular circumstances. These options are important because we are bound to assist these communities and workers who have contributed so much to this country.

Mrs. Campbell (South West Nova): I believe the hon. member is the Parliamentary Secretary to the Minister of Employment and Immigration, and I am sure that he could send that speech home to his constituents.

In southern Ontario the Canadian Jobs Strategy might work, but I would challenge him to go down to Lockeport or to even speak to his colleague from South Shore and tell him how the Canadian Jobs Strategy or the labour project that he is talking about has helped the people who have lost in Lockeport.

The purpose of this data shows that the government's policy in fishery is not working. The fishery management plan is not working. Can the hon. parliamentary secretary explain to the House how this government has helped the people of Lockeport to earn a living there?

Mr. Kempling: Madam Speaker, this problem that we have has not just arisen this year. It has been with us for a number of years. It ebbs and flows. It is a cyclical problem and what we are endeavouring to do is to find (a) industries that will move into the Lockeport area and (b) have training programs available to retrain people to accept those industries.

When we undertake a program of this nature we have to count on some initiative at the local level. It cannot all be done by government. We do not know everything and obviously we need local assistance to help us. We have people in the department looking at that whole fishery situation.

If I may be allowed to point to Newfoundland, which has a worst condition than in Lockeport, Nova Scotia, the job growth in Newfoundland is not just confined to the capital. During the past year the number of people of jobs in Newfoundland, outside the St. John's metropolitan area, has risen by over 9,500. The employment rate in that part of the province has fallen more than 2.1 per cent.

We have undertaken a number of initiatives in the Atlantic area. I know that some of them are going to succeed. I could not help but reflect on the comments of the member speaking before me about lobster. I just read the other day about the huge lobster market that is undeveloped in France. In fact, I read a very learned paper by a professor from the Newfoundland university about this huge market in France waiting for someone to jump on it. I do not know why we are so concerned. If we have a large crop of lobsters in P.E.I, I do not know why someone does not get on an airplane, go to France, and find out where they can sell it.

Mrs. Campbell (South West Nova): We have no airplanes left to take it. Terra Nova can't take it.

Mr. Kempling: I have seen P.E.I. lobsters in Tokyo, in the big fish market there. I have seen P.E.I tuna. I have seen herring and herring roe in the big fish market in Tokyo. There are many areas beyond the United States, although it is the closest, where we can sell fish. There has to be some local initiative as well to assist the matter along.

Mr. Reid: Madam Speaker, one of the things that my hon. friend said in his comments was that not all programs apply in all areas. He made it very clear that perhaps the Canadian Jobs Strategy is not as applicable in some parts of the country as it is in others. He made reference to some of the very important programs that we have seen and some of the programs that are more suited again to other areas. Specific reference was made to Community Futures in Port aux Basques, which is in the Burin riding, and programs like that that have been developed to utilize local initiative.

As my friend knows, our colleague from South Shore has been very active in developing the local resources and using the people of the area. The initiative that they have developed in helping people to put that into practice and to apply it in responding to some of the

problems, be it in ensuring that fish that was exported is now kept in the country and perhaps finding new buyers for facilities, is the sort of thing that our colleague has been undertaking.

I was going to read into the record some figures from previous response programs, but Madam Speaker is telling me I have very little time. I will not go into the $20 million that has been spent in emergency response in Newfoundland in the last three years.

Mr. J.W. Bud Bird (Fredericton): Madam Speaker, I am pleased to have the opportunity to participate in this debate this afternoon.

• (1700)

Since the early 1980s, the reality has been unprecedented growth in employment in the fishery sector, both in harvesting and in processing in the Atlantic region. I would like to read you some figures that the minister has made available recently. He said, for Atlantic Canada from 1983 to 1988, landings of all fish species increased by 200,000 tonnes to 1.3 million tonnes. The total landed value increased by $400 million to over $1 billion during that same period. The total value of processed fish products increased by $750 million, to $2.2 billion in 1988.

We do have to face the reality that employment, the commercial activity, the economy of the fisheries resource in Atlantic Canada has, by and large, been at a high level of performance. As well, until recent months, perhaps, over the past year, the resources themselves, the natural fish stocks seem to have been sufficiently abundant to support that exploitation. It is only recently that we have become starkly aware of at least three major resource problems which will no longer sustain the expectations we have placed upon those resources.

First, there has been a gathering momentum of decline for several years in the groundfish stocks, particularly in the Nova Scotia waters, which has come to a shocking realization in recent months. As well, there has been a sharp drop in snow crab stocks, particularly in the New Brunswick and Quebec areas. Of course we are all familiar with the new information which we have concerning the northern cod populations.

As has been man's custom for centuries, we have continued to increase our expectations and our harvest so long as the resource seemed to be available. Now we confront the reality of the inevitable cycle, too much capacity.

I would like to quote from a report by the capacity committee which the minister, in co-operation with the industry helped to establish. Since 1987, they have been working to develop a proposed plan to cope with overcapacity in the groundfish fleet. Their conclusions state that the groundfish fleet already has twice the fishing power it needs. If the approximately 1,000 vessels licensed for groundfish but now fishing other species should return to groundfish, the fleet would have four times the fishing power it needs. As groundfish abundance has declined, quotas have dropped over the last seven years by about 40 per cent or 88,000 tonnes. That catch, if it were to be increased today, would be worth more than $60 million to the 2,700 groundfish boats in the Scotia—Fundy region.

As well, I would like to read from a quotation from Dr. Harris who did a study earlier this year about the northern cod situation. He says:

> We must be absolutely clear that failure to take appropriate steps to reduce current levels of fishing mortality will most probably lead to a significant decline in the spawning population of northern cod over the next several years.

He goes on to say this, and I think this is pivotal:

> Whatever management is taken, the panel recommends that the guiding principle must be the imperative necessity for an increase in the size of the spawning population.

What that really addresses is the subject of management of the resource. The government, contrary to the motion, has already commenced to act in that regard and, with specific reference to northern cod, the funding for scientific research will be increased this year by 80 per cent. The expanded research effort will increase from the current $3.8 million budget by an additional $3 million. That is hardly action consistent with the negative implications of this resolution.

I would like to talk for a few minutes about the management of the resource itself and about that phrase that we hear so much about today, sustainable development.

Yesterday I was privileged to be part of a legislative committee that reported a bill to this House which, perhaps, for the first time in Canadian legislation con-

tains a definition of sustainable development. It is taken from the Brundtland report, from what is an international consensus on the definition of that phrase and means: The development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

If there ever there has been a Canadian situation which demonstrates the principles of sustainable development, or at least the lack of them it has to be in the manner in which we so frequently have approached our fishery be it frequently on the Atlantic seaboard and on the Pacific coast as well.

The main area of my experience with the fishery has been the Atlantic salmon. There is much to learn from the management history and experience we have gained over recent years with Atlantic salmon that may well be applied to all fishery resources. The salmon story has both domestic and international implications much as is the case with the Atlantic groundfish crisis. It required in the case of Atlantic salmon a demonstration of leadership here at home before we could get the attention of the international fishery organizations and fishery countries. Salmon management involved other domestic conflicts, commercial fishermen in ocean migration routes, sports anglers in fresh water spawning rivers, native Indians at key locations in tidal estuaries, all competing vigorously for a diminishing resource despite clear signals that that stock was in serious trouble.

In the case of Atlantic salmon, Canada did finally start to act when we were just on the brink of disaster. A 10-year ban was imposed on the Maritimes commercial fishery for salmon. Angling limits were reduced first from six fish per day to four and then to two, and now large salmon are not permitted to be harvested at all. The total season limit for all fish, smaller fish only, in fact, is down to 10. What a dramatic action to reduce a daily limit to almost what is now a season limit.

We have introduced catch and release programs to preserve the resource and yet to permit the continuity of the very valuable recreational fishery.

I have the honour to chair National Recreational Fisheries Conference to be held in Fredericton, New Brunswick, two weeks from now in which the federal Department of Fisheries and Oceans national action plan for a sustainable fishery into the next century will deal with the recreational component. That is hardly an expression of management vision that would deserve the negative implications of this resolution this afternoon.

In terms of the Atlantic salmon, if I may go on with the analogy, allowances which were established in 1989 to initiate headland river by river system management received fierce opposition even from those to which the management plan is most designed to help. Those who are most dependent on our fishery resource are frequently, it seems the ones who most vigorously oppose its preservation. This seems to illustrate the reality of our changing perspective when we have abused nature's bounty.

We have been to the edge of extinction with the salmon resource and with our own eyes we have seen it because the salmon resource is spawned and born in our own rivers. We are able to count and even measure the size of the returning resource and yet we have been unwilling to believe even the reality of our own numbers.

When all is concluded, obviously people have got to be our greatest concern, and those who live by fishing are obviously in great difficulty in many places in the Atlantic region today. But we cannot respond to the circumstances of those people by plundering the resource. I would like to say that as my colleague, the parliamentary secretary to the minister, has outlined, there are programs in place, there are actions we are taking to speak to the circumstances in which those people find themselves today. The Department of Fisheries and Oceans, with its programs and with its mission statement from which I would like to read, has the following goal:

> To undertake policies and programs in support of Canada's economic, ecological and scientific interests in the oceans and inland waterways and to provide for the conservation the development and the sustained economic utilization of Canada's fishery resources.

• (1710)

This government, for the first time ever, is committed to sustainable development, to the realization that the resource is the key.

Mr. Simmons: Madam Speaker, first of all I want to congratulate my friend from Fredericton on his address. I am not sure his heart was completely in it but I understand that. He and the gentleman before him, my friend and colleague from Burlington, the Parliamentary Secretary to the Minister of Employment, have together, during the last 20 minutes, made a number of points that

need debating and commenting on. The time is short so I will come quickly to two points.

The first is something that the gentleman from Burlington said, but I want to put a question to the gentleman from Fredericton about it and that relates to job strategy. I say to him let's distinguish between the Canadian Jobs Strategy program and the Community Futures. These are two very different programs with very different results.

Community Futures is a good program as I said to this House before and said publicly. It is a good program. It has a lot of potential. There are some problems with it including the monkeying around at times with who goes on the board, but that is a side issue. We should not throw out the baby with the bath water. The program itself is a good program if it is given a chance to succeed.

The Canadian Jobs Strategy program must be marvellous for places like Burlington and Toronto and so on. What I can tell you is that it is creating unbelievable havoc in the small communities throughout southern, southwestern and western Newfoundland which I know best. I submit to the gentleman from Fredericton that he will know communities where equivalent havoc is being created by the Canadian Jobs Strategy program because the question arises, if you live in Toronto and are working in the beer plant and the beer plant closes, you can go down and get on a training program through Canada Manpower. Then you can go down and get a job putting bolts on the car in the car plant in Toronto.

The problem with Ramea and Belleoram is there is not very many car plants there. To put it differently, what do you train those people for? They have residents in those communities that now have the skills. The have the logging skill, the fishing skill, the homemaker's skill, the carpenter's skill, the welding skill. They have together the aggregate of skills which are required to survive and thrive in those communities. So what do we train them for?

In effect, those programs are denying them training altogether because there is no training that is appropriate or in the other case we are training them to pack suitcases to move to Toronto and Fort McMurray. Either of those options is unacceptable.

I say to the gentleman from Fredericton that it is absolutely unacceptable for people who have their roots there—I say to my friends from British Columbia, their loved ones and friends—to have a government whose only objective is to tear them away from everything they stand for, their old value system and everything just to get bread and butter. There ought to be a better way. There is a better way.

The better way is for the government, instead of using Canadian Jobs Strategy money in a way that is year after year or month after month diminishing the requirement for job strategy money because those people in those communities I am talking about cannot satisfy the requirements. But they do have the need. They have the need for jobs. They have the need for something to bridge them over so they can stay among their loved ones, so they can be, on a continuing basis, in the community which has values with which they identify.

I want to ask the gentleman from Fredericton if he would adjudicate the Canadian Jobs Strategy to be the unqualified success that is being portrayed by the minister of employment or is he, in fairness to his constituents, finding that some of his constituents, too, are having some difficulty making ends meet because of the way the rules have been botched in Canadian Job Strategy?

Mr. Bird: As I said in my remarks certainly the answer to the job strategy is not the plundering of the resource. I share the hon. member's concerns about the difficult perspective those in small fishing villages face. It is a very difficult question to create and to innovate and contemplate the kinds of adjustment and redeployment that will be necessary. At least the Canadian Jobs Strategy does address those kinds of problems. There is a process at work in this government.

I would like to ask the hon. member the question in reverse. As we have heard so often in this House criticism of this government for one thing after another, what does the hon. member suggest he would do given the state of the resource, given surely his agreement with the fact that plunder of the resource is not the answer. What would he do? How would he cope with the situation in those small fishing villages? What magic would he wrought that is better than is being done here? I would like to have that answer. It was his government and your fisheries minister in the late 1970s and early

1980s that created the beginnings of the overcapacity we now have, the miscalculation of the resource, the mismanagement of the resource. I could not help but contemplate that as this motion which was put by the hon. member for Beauséjour, a Liberal motion, that the House condemn the government's mismanagement, it would surely pertain to the management of the minister of the early 1980s.

Ms. Lynn Hunter (Saanich—Gulf Islands): I am pleased to stand in this House today to participate in debate on this motion. The motion states that this House condemn the government's mismanagement, lack of leadership, incompetence and negligence that has placed Canada's fishing communities and workers in unparalleled jeopardy. Well that is putting it lightly.

I would like to focus mostly on the B.C. fishery. Mismanagement has been rampant in British Columbia for generations, but it seems to be an accelerating process in this last while. I am going to focus my comments on four main areas, the first the most recent free trade panel decision; second on fish farming and the effect that has on the fishery the third on the troll fleet versus recreational fishery in British Columbia; and fourth on drift-net fishery.

First of all, let us focus on the free trade panel decision. We have to look at this decision in the context of other government initiatives. For instance, the changes to the Unemployment Insurance Act. The effect on jobs of the free trade panel decision is quite dramatic. The figures that I have, 24,000 full and part-time workers are affected and are now at risk because of this decision. Twenty-four thousand, this is on B.C. fishery. When we talk about the kind of effects on jobs we have to think about who those people are, which people are affected.

My colleague from New Westminster—Burnaby has provided me with figures for unemployment for women generally is 11.2 per cent. Unemployment for native women is a shocking 21.8 per cent. In British Columbia, 70 per cent of the workers in fish processing are women. The majority are either native women or from visible minorities. The kind of jobs that are affected by this free trade panel decision are good jobs, paying benefits. Many of these women who are affected by these job losses are the sole support for their families because, especially in the native communities, often the men have a much higher rate of unemployment than the women. What other jobs can these people be trained for?

• (1720)

The Minister of Employment and Immigration talks about what alternatives his government has, its long range plans for employment. Well, what is being done for the remote communities of British Columbia that are so dependent on the fishing industry for their jobs? What are the government's initiatives? I propose that it has none, that it is sacrificing these jobs.

On this free trade panel decision, I want to give you the kind of figures we are looking at. In Skagit County in Washington, the rate of pay for the fish processing industry is $5.50 an hour versus Canada where the rate is $13.00 an hour. Certainly if you want to be an ideological purist you can see the rationale for why the jobs are going south of the border. But I contend that the government of our country should be looking after Canadian jobs and should not be following the kind of ideological purity that is going to hurt Canadians. This free trade panel decision hurts Canadian jobs and it hurts Canadian communities.

I would like to remind the House of a quote from the Minister of Fisheries and Oceans in February of 1988 when he was speaking to the Pacific Gill-netters Association convention. He said that we do not need more fish but we could generate more year-round employment at income by doing more with the fish. What does he mean, if it does not mean processing the fish, packaging the fish. This free trade panel decision does the very reverse. It sends the jobs south of the border.

However, this panel decision not only affects the job. It also affects our sovereignty. How can we control our resource if we do not know how many fish are actually being caught? How do we measure how many fish we have? We are talking about percentages that will have been set at 20 per cent of the fish. Twenty per cent of what? How do we measure it? How do you measure a percentage of an unknown quantity? How do you know logically? Do you not have to count them all to be able to know what the 20 per cent is?

If Americans are buying on the water and paying cash, how will we know what the exports have actually been? It is impossible to monitor escapements without counting on a daily basis how many fish have been caught. This is a conservation issue. I know that some members opposite have been talking about the kind of sustainable development initiatives of this government. We are talking about management here and this government, through its

ministry of fisheries and oceans, is not managing this resource. There are five species of salmon and 4,500 runs of salmon, all of which need to be preserved. This government, through its negligence and mismanagement, is allowing that to be totally mismanaged.

We have a major problem on this. We are talking about jobs and about sovereignty. We are giving away our resource to the United States. As my hon. leader pointed out in Question Period the other day, what are the implications for our other resources? Does this mean that we are not going to be able to monitor our resources in other ways? It has vast implications, not just for the fishery but for provinces like British Columbia which is so resource dependent.

This government is not looking after the jobs and sovereignty of our country. Through this free trade panel decision, it is the first salvo of a much bigger picture.

I am now going to turn my comments to the whole issue of fish farming. This ministry has been granting licences, seemingly with little regard for the impact on the fishery. It is almost as if they are giving licences for a separate industry, not understanding it and seeing it in isolation rather than as part of the whole fishing scene, especially on the west coast. There has been an impact on the market because of the kind of prices that wild fishery can now ask versus the fish farming. I have a son who works in the fishery and it is a matter of the market prices going steadily downward because there have been so many fish farming licences granted.

I have no trouble with Canada feeding the world. I think it is a laudable goal that Canada should feed the world. But when it is at the cost of Canadian jobs, when it is taking the kind of money that many fisherpeople have invested in boats, equipment and so on and putting those people's jobs at risk in order to have a fling at what is called fish farming, I question that. There is a whole other aspect of fish farming that has to be looked at, as well, and that is the environmental consequences of granting so many licences for fish farms. There are many horror stories I could tell you about fish farming on the west coast. I could tell you of the kinds of drugs that are introduced into the farms to preserve the so-called health of the fish. I am talking about antibiotics that are dumped into the pens. What kind of safety regulations has this ministry brought in to ensure that the high density of drugs in the fish will not contaminate the wild fishery. How is it going to prevent them from escaping?

So, we have at least two concerns with fish farming, the environmental concerns and the effects on the markets and the traditional jobs in the fishery.

I now want to turn my comments to the effect on the troll fleet. My son works with the troll fleet in the summer. I believe he is watching from the gallery or from the lobby this afternoon. I hope he is paying attention, as I am finally talking about an issue that he can agree with.

Some Hon. Members: Oh, oh!

Ms. Hunter: Well, he is a 16-year-old boy and they never agree with their mothers. For the past two years he has been out off the west coast of Vancouver Island with the troll fleet. Each year things have become steadily worse, according to him. He tells me stories of the overzealous action on the part of the fishery patrol. As soon as the fleet gets over fish and is actually successful in catching fish, they close down, and ask the fleet to move on. This is a kind of harassment because the patrol does not know what is going on. It does not have the ability to know how many fish are escaping or how many fish are coming back, so they close it down. And, what does that do to the fishery? Well, I know what it does to my son's skipper. It makes him very, very nervous, because all of a sudden he has two months to make his income for the year and the fishery is closed down and moved on. As a mother, I can speak of the kind of dangerous working conditions involved here. It is like a little chequerboard out there and they are only allowed a certain part of the ocean in which to do their fishing. All the boats are crammed into one little area and they have their poles going out and it is foggy. This is management? It is not management. It is a patchwork quilt of regulations that harasses the fishery and harasses the people of British Columbia in their attempts to make a living. And it is this government, with its central Canada focus on every policy, that is irritating to those of us on either coast.

• (1730)

I want also to speak about the mismanagement of the recreational fishery because many of my constituents do recreational fishing. You have to have a lot of imagination in order to figure out how tagging of salmon could conserve the resource and whether or not throwing back a dead fish because it is the wrong type is going to conserve it. As I said, you have to have a lot of imagination to see where that is going to get us.

My last area of comment regarding the mismanagement of the fishery relates to the drift-net fishery which so far we have only seen in the north Pacific. This is an absolute tragedy. We not only see the mismanagement of our fishing resources, we also see many marine mammals being caught. There is the environmental question as to whether or not that is a wise tactic.

I know that Canada has expressed its views that it is not a wise tactic, but I would like to say that Canada is certainly not expressing them in loud or forceful enough tones. This government, in negotiating with those who are engaged in drift-net fishery, has agreed to move the boundary northward. That is supposed to be a compromise because the government also said that it was going to allow fishery patrol people onto the boats—six boats—to monitor the situation. This would be laughable if it were not such a tragedy.

We are talking about a major pirating scheme in the north Pacific. What does allowing the movement northward of the boundary, mean for B.C. fishery, the salmon fishery? It means that more salmon, more of our resource that is supposed to be protected under international law, is going to be taken by these pirates. Once again, there is a complete absence of management. There are just not sufficient resources by this government to monitor the situation. If it were serious about putting people on boats, it has to put far more than six people on them.

What we want now is that transponders be put on each boat that is engaged in the drift-net. That is a device to track the boats by satellite. We have the technology. We just do not have the political will. That is what is totally absent regarding the fishery on the west coast. I know the Atlantic fishery has been dealt with from both sides of this House, but on the west coast, there is an absence of political will to talk about this crisis. Korea has apparently agreed that transponders be put on its boats.

Taiwan, one of the major and most flagrant violators of international law to which we would like to think we are subject is not. What can we do? This government has to stop looking at all of these little things in isolation. It seems to be expert in talking about international trade, but it doesn't seem to be able to get its act together when it actually comes down to looking after Canadians interest in that. We have to be able to put economic pressure on these violators, these pirates. I am talking about major sanctions.

We are not supposed to have recognized Taiwan, but we still get Japanese oranges from Taiwan. Why can't we put economic pressure on this country that is stealing our resource? We should be very clear about that. These are our salmon. It is our tax dollars that have gone to enhancing this market. We are giving it away through this drift-net fishery. We are allowing it to be taken.

Those small filament nets that catch everything are a disgusting display. My colleague from Nanaimo—Cowichan calls them curtains of death. I think that is a very apt description of those drift-nets. They are a very efficient killer. Of course you have to kill the fish, but this is killing everything, marine birds and marine mammals, and fish. I want to once again refocus my remarks on the salmon. We have paid for that salmon, and we are looking after it and trying, in spite of many violations in the forestry, to save those salmon streams. Yet this government is allowing the drift-net fishery to occur by making mealy-mouthed statements about the drift-net fishery saying that we will negotiate. Negotiations have to have some punch behind them. We have to have that resource protected. We have to be sure that it is Canadians who are being looked after by this government.

It is all very well to say nice comforting things about international trade being the direction of the future, but in order to save Canadians jobs we have to make sure that this government is looking after our interests. I know in British Columbia, it certainly is not the view of most people that that is what is happening.

It is the people of British Columbia who are affected, it is the women, the native women. They are the ones who are being put out of work.

This is a Liberal motion which I applaud. I like the language though it is a little weak. Mismanagement, incompetence and negligence are not quite strong enough words for me. I think some of the language I would use may be non-parliamentary. I applaud this motion and am sure there are many questions for me.

Mr. Dingwall: Mr. Speaker, just before I pose a question, I have a few observations with regard to the remarks made by my colleague from New Westminster—Burnaby. She indicated at the outset that in western Canada she is finding a great deal of concern being expressed by individuals in the fisheries with regard to some of the management policies of the Government of Canada. I want to tell the hon. member concerns.

In fact, I was somewhat dismayed when I heard on the floor of the House of Commons my colleague from Central Nova extolling the virtues of the present minister of fisheries only to be outdone by my colleague from St. John's East. It seems that at every opportunity, he wishes to support not only the policies of the Government of Canada but indeed, to support *carte blanche* the activities of the Minister of Fisheries and Oceans.

We in Atlantic Canada, and I guess it is probably *apropos* to western Canada, have been suffering at the hands of the Minister of Fisheries and Oceans who refuses on all occasions to accept the advice, suggestions, the calls and the pleas of fishermen and individuals within the industry. I am appalled to hear that his cabinet colleague would say today on the floor of the House of Commons that it is a tough job being the minister of fisheries. We have a serious problem within the fishery, only to find that the minister of fisheries said in the House several days ago that everything is wonderful, everything is healthy, there are no difficulties within the fishing industry.

I want to address this particular concern to the hon. member who has just spoken. Would she not agree, in her spirit of objectivity, in her non-partisan manner as exhibited in the last number of minutes of her speech, that notwithstanding the fault with the regulations, the management policies that have been put in place by the Minister of Fisheries and Oceans, there is an added problem, a serious problem which affects west coast fishermen and those in the Atlantic.

• (1740)

That has to do with the arrogance, the unbelievable arrogance of the federal Minister of Fisheries and Oceans.

Would the hon. member not agree that if this particular minister would only accept the reality that there is a crisis within the fisheries and provide a coherent plan, we would then find solutions to what has become a disastrous economic situation for the west coast as well as the Atlantic coast?

While the hon. member is on her feet, would she not want to take the opportunity to share with members of the House of Commons who have listened attentively to her remarks and the remarks of all of our colleagues as to what sort of adjectives the hon. member say that the motion that this House condemn the government's mismanagement, lack of leadership, incompetence and negligence that has placed Canada's fishing communities and workers in unparalleled jeopardy is weak. I want to ask if the hon. member would rise in her place and join with us in this party by adding adjectives to the situation which the minister has caused for fishermen on both the west and east coasts.

While I am on my feet, I thought I would take one more moment—

The Acting Speaker (Mrs. Champagne): I think that the hon. member will agree that the floor should be given to the Hon. Member for Saaninch—Gulf Islands.

Ms. Hunter: Madam Speaker, I thank the hon. member for his question. It is such a concise question. I just want to assure the hon. member that the Minister of Fisheries and Oceans, from my perspective in British Columbia, has certainly alienated every aspect of the fishing community, the recreational fishery, the troll fleet, the gill-netters, you name it, they are mad at him because of this mismanagement.

In order to allow other people to ask questions—because I know there are a number of other people who want to ask questions, I can just see them bouncing over there wanting to ask me questions—I think that I will leave the adjectives because they would not be parliamentary. I know that a lot of journalists, in particular, find that some of us women in the House are a little too partisan, and I would not want to dissuade them from that belief.

[*Translation*]

Mr. Langlois: Madam Speaker, after listening carefully to what was said by the Hon. Member for Saanich—Gulf Islands (Ms. Hunter), I can inform her and indeed remind her that issuing fishfarming licences is a provincial responsibility. About the drift net situation, I may also remind her that Canada has started active discussions and serious negotiations with various Asian countries that practise this type of fishing in the Pacific, and so far, the results have been encouraging, and we are confident that substantial progress will be made in dealing with the indeed disastrous situation caused by drift nets in northern Pacific waters. I have a question for the Hon. Member. How can she claim that the fisheries are poorly managed, when on the Atlantic Coast, between 1983 and 1988, landings increased, landing values increased and the value of processed fish products increased as well?

[*English*]

Ms. Hunter: Madam Speaker, I do not think using the old provincial regulations answer is going to go very far. It does not excuse abdication of responsibility. We are talking about taxpayers' dollars going toward enhancing a resource and then saying that we cannot do anything about it because it is provincial jurisdiction.

That is the oldest tactic in the book. There is only one pocket that the taxman can dig his hand into and that is the pocket of the taxpayers of Canada.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being 5.45 p.m., it is my duty pursuant to orders adopted on Tuesday, April 4 and Tuesday, June 27, 1989, to interrupt the proceedings and put forthwith all questions necessary to dispose of the Main Estimates and all stages of the bill based thereon.

* * *

[*English*]

SUPPLY

CONCURRENCE IN VOTE 1, DEPARTMENT OF AGRICULTURE

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Vote 1, in the amount of $57,154,000 under the Department of Agriculture—Management and Administration—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1990, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Call in the members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 72*)

YEAS

Members

Anderson	Atkinson
Belsher	Bernier
Bertrand	Bird
Blackburn (Jonquière)	Blais
Bosley	Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)	Bourgault
Brightwell	Browes
Cadieux	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Champagne (Champlain)
Charest	Chartrand
Clark (Brandon—Souris)	Clifford
Collins	Cooper
Corbeil	Corbett
Crosby (Halifax West)	Darling
DeBlois	de Cotret
Della Noce	Desjardins
Dobbie	Domm
Duplessis	Edwards
Epp	Fee
Feltham	Fontaine
Fretz	Friesen
Gérin	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Hockin
Holtmann	Horner
Horning	Jacques
James	Jelinek
Kempling	Kilgour (Edmonton Southeast)
Koury	Landry
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Littlechild
Loiselle	Lopez

MacDonald (Rosedale)
MacKay
Martin (Lincoln)
Mayer
McDermid
Mitges
Moore
Paproski
Plourde
Pronovost
Reid
Ricard
Schneider
Shields
Sparrow
Tardif
Thorkelson
Tremblay (Lotbinière)
Vankoughnet
Vézina
Vincent
Wilbee
Assiniboia)
Winegard

MacDougall (Timiskaming)
Malone
Masse
Mazankowski
Merrithew
Monteith
O'Kurley
Plamondon
Porter
Redway
Reimer
Roy-Arcelin
Scott (Victoria—Haliburton)
Siddon
Stevenson
Tétreault
Tremblay (Rosemont)
Turner (Halton—Peel)
Venne
Vien
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—119

NAYS

Members

Allmand
Angus
Assad
Bélair
Benjamin
Black
Boudria
Caccia
Campbell (South West Nova)
Clancy
Crawford
Duhamel
Fisher
Foster
Gaffney
Gray (Windsor West)
Harvard
Heap
Jordan
Keyes
Langdon (Essex—Windsor)
MacAulay
Maheu
Marchi
McLaughlin
Milliken
Mitchell
Nunziata
Parent
Phinney
Prud'homme
Robinson
Simmons
Stewart
Vanclief
Walker

Althouse
Arseneault
Baker
Bellemare
Bevilacqua
Blackburn (Brant)
Brewin
Callbeck
Catterall
Comuzzi
Dingwall
Finestone
Flis
Funk
Gauthier
Harb
Harvey (Edmonton East)
Hunter
Karpoff
Kilger (Stormont—Dundas)
Lee
MacLellan
Manley
McGuire
Mifflin
Mills
Murphy
Pagtakhan
Peterson
Proud
Robichaud
Rompkey
Speller
Taylor
Volpe
Young (Beaches—Woodbine)—72

• (1810)

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

On a point of order, the Hon. Member for Dartmouth.

Mr. MacDonald (Dartmouth): Madam Speaker, because of committee duties and a late flight I was unable to be in my seat for this vote. If I had been, I would have voted with the opposition.

[*Translation*]

Mr. Rocheleau: Madam Speaker, I was late, and I would like to register my vote with the Opposition.

[*English*]

CONCURRENCE IN VOTE 1—DEPARTMENT OF EMPLOYMENT AND IMMIGRATION

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Vote 1 in the amount of $51,240,500 under the Department of Employment and Immigration, corporate and special services, program of expenditures, in the Main Estimates from the fiscal year ending March 31, 1990, be concurred in.

The Acting Speaker (Mrs. Champagne): Is the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

Mr. Gauthier: Madam Speaker, first, I think you would find that there would be consent to dispense with the ringing of the bells.

Second, if you would look around the House, I think you would find that there would be unanimity to apply the vote on Motion No. 1 to Motions 2, 3 and 4.

The Acting Speaker (Mrs. Champagne): The House has heard the suggestion from the hon. member for Ottawa—Vanier. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Gauthier: Madam Speaker, I take it you would add to those votes the late arrivals from out east who came from the GST committee to fight this tax all the way.

The Acting Speaker (Mrs. Champagne): It is noted that the votes of the hon. member for Dartmouth and the hon. member for Hull—Aylmer would be added to the nays.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 73*)

YEAS

Members

Anderson
Atkinson
Belsher
Bernier
Bertrand
Bird
Blackburn (Jonquière)
Blais
Bosley
Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)
Bourgault
Brightwell
Browes
Cadieux
Campbell (Vancouver Centre)
Cardiff
Casey
Chadwick
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon—Souris)
Clifford
Collins
Cooper
Corbeil
Corbett
Crosby (Halifax West)
Darling
DeBlois
de Cotret
Della Noce
Desjardins
Dobbie
Domm
Duplessis
Edwards
Epp
Fee
Feltham
Fontaine
Fretz
Friesen
Gérin
Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Gustafson
Halliday
Harvey (Chicoutimi)
Hawkes
Hicks
Hockin
Holtmann
Horner
Horning
Jacques
James
Jelinek
Kempling
Kilgour (Edmonton Southeast)
Koury
Landry
Langlois
Larrivée
Layton
Leblanc (Longueuil)
Lewis
Littlechild
Loiselle
Lopez
MacDonald (Rosedale)
MacDougall (Timiskaming)
MacKay
Malone
Martin (Lincoln)
Masse
Mayer
Mazankowski
McDermid
Merrithew
Mitges
Monteith
Moore
O'Kurley
Paproski
Plamondon
Plourde
Porter
Pronovost
Redway
Reid
Reimer
Ricard
Roy-Arcelin
Schneider
Scott (Victoria—Haliburton)
Shields
Siddon
Sparrow
Stevenson
Tardif
Tétreault
Thorkelson
Tremblay (Rosemont)
Tremblay (Lotbinière)
Turner (Halton—Peel)
Vankoughnet
Venne
Vézina
Vien
Vincent
White
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Winegard
Worthy—119

NAYS

Members

Allmand
Althouse
Angus
Arseneault
Assad
Baker
Bélair
Bellemare
Benjamin
Bevilacqua
Black
Blackburn (Brant)
Boudria
Brewin
Caccia
Callbeck
Campbell (South West Nova)
Catterall
Clancy
Comuzzi
Crawford
Dingwall
Duhamel
Finestone
Fisher
Flis
Foster
Funk
Gaffney
Gauthier
Gray (Windsor West)
Harb
Harvard
Harvey (Edmonton East)
Heap
Hunter
Jordan
Karpoff
Keyes
Kilger (Stormont—Dundas)
Langdon (Essex—Windsor)
Lee
MacAulay
MacDonald (Dartmouth)
MacLellan
Maheu
Manley
Marchi
McGuire
McLaughlin
Mifflin
Milliken
Mills
Mitchell
Murphy
Nunziata
Pagtakhan
Parent
Peterson
Phinney
Proud
Prud'homme
Robichaud
Robinson
Rocheleau
Rompkey
Simmons
Speller
Stewart
Taylor
Vanclief
Volpe
Walker
Young (Beaches—Woodbine)—74

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

CONCURRENCE IN VOTE 1—DEPARTMENT OF ENVIRONMENT

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Vote 1, in the amount of $38,168,000 under the Department of Environment—Administration—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1990, be concurred in.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 74*)

YEAS

Members

Anderson
Atkinson
Belsher
Bernier
Bertrand
Bird
Blackburn (Jonquière)
Blais
Bosley
Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)
Bourgault
Brightwell
Browes
Cadieux
Campbell (Vancouver Centre)
Cardiff
Casey
Chadwick
Champagne (Champlain)

Charest
Clark (Brandon—Souris)
Collins
Corbeil
Crosby (Halifax West)
DeBlois
Della Noce
Dobbie
Duplessis
Epp
Feltham
Fretz
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
James
Kempling
Koury
Langlois
Layton
Lewis
Loiselle
MacDonald (Rosedale)
MacKay
Martin (Lincoln)
Mayer
McDermid
Mitges
Moore
Paproski
Plourde
Pronovost
Reid
Ricard
Schneider
Shields
Sparrow
Tardif
Thorkelson
Tremblay (Lotbinière)
Vankoughnet
Vézina
Vincent
Wilbee
Assiniboia)
Winegard

Chartrand
Clifford
Cooper
Corbett
Darling
de Cotret
Desjardins
Domm
Edwards
Fee
Fontaine
Friesen
Gibeau
Guilbault
Halliday
Hawkes
Hockin
Horner
Jacques
Jelinek
Kilgour (Edmonton Southeast)
Landry
Larrivée
Leblanc (Longueuil)
Littlechild
Lopez
MacDougall (Timiskaming)
Malone
Masse
Mazankowski
Merrithew
Monteith
O'Kurley
Plamondon
Porter
Redway
Reimer
Roy-Arcelin
Scott (Victoria—Haliburton)
Siddon
Stevenson
Tétreault
Tremblay (Rosemont)
Turner (Halton—Peel)
Venne
Vien
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—119

NAYS

Members

Allmand
Angus
Assad
Bélair
Benjamin
Black
Boudria
Caccia
Campbell (South West Nova)
Clancy
Crawford
Duhamel
Fisher
Foster
Gaffney
Gray (Windsor West)
Harvard
Heap
Jordan
Keyes
Langdon (Essex—Windsor)
MacAulay
MacLellan
Manley

Althouse
Arseneault
Baker
Bellemare
Bevilacqua
Blackburn (Brant)
Brewin
Callbeck
Catterall
Comuzzi
Dingwall
Finestone
Flis
Funk
Gauthier
Harb
Harvey (Edmonton East)
Hunter
Karpoff
Kilger (Stormont—Dundas)
Lee
MacDonald (Dartmouth)
Maheu
Marchi

McGuire
Mifflin
Mills
Murphy
Pagtakhan
Peterson
Proud
Robichaud
Rocheleau
Simmons
Stewart
Vanclief
Walker

McLaughlin
Milliken
Mitchell
Nunziata
Parent
Phinney
Prud'homme
Robinson
Rompkey
Speller
Taylor
Volpe
Young (Beaches —Woodbine)—74

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

CONCURRENCE IN VOTE 1—DEPARTMENT OF FINANCE

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Vote 1, in the amount of $52,531,000 under the Department of Finance—Financial and Economic Policies—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1990, be concurred in.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 75*)

YEAS

Members

Anderson
Belsher
Bertrand
Blackburn (Jonquière)
Bosley
Bouchard (Lac-Saint-Jean)
Brightwell
Cadieux
Cardiff
Chadwick
Charest
Clark (Brandon—Souris)
Collins
Corbeil
Crosby (Halifax West)
DeBlois
Della Noce
Dobbie
Duplessis
Epp
Feltham
Fretz
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
James
Kempling
Koury
Langlois
Layton
Lewis
Loiselle
MacDonald (Rosedale)
MacKay
Martin (Lincoln)
Mayer
McDermid

Atkinson
Bernier
Bird
Blais
Bouchard (Roberval)
Bourgault
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Chartrand
Clifford
Cooper
Corbett
Darling
de Cotret
Desjardins
Domm
Edwards
Fee
Fontaine
Friesen
Gibeau
Guilbault
Halliday
Hawkes
Hockin
Horner
Jacques
Jelinek
Kilgour (Edmonton Southeast)
Landry
Larrivée
Leblanc (Longueuil)
Littlechild
Lopez
MacDougall (Timiskaming)
Malone
Masse
Mazankowski
Merrithew

Mitges	Monteith
Moore	O'Kurley
Paproski	Plamondon
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Ricard	Roy–Arcelin
Schneider	Scott (Victoria—Haliburton)
Shields	Siddon
Sparrow	Stevenson
Tardif	Tétreault
Thorkelson	Tremblay (Rosemont)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Vankoughnet	Venne
Vézina	Vien
Vincent	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard	Wilson (Etobicoke Centre)
	Worthy—119

NAYS

Members

Allmand	Althouse
Angus	Arseneault
Assad	Baker
Bélair	Bellemare
Benjamin	Bevilacqua
Black	Blackburn (Brant)
Boudria	Brewin
Caccia	Callbeck
Campbell (South West Nova)	Catterall
Clancy	Comuzzi
Crawford	Dingwall
Duhamel	Finestone
Fisher	Flis
Foster	Funk
Gaffney	Gauthier
Gray (Windsor West)	Harb
Harvard	Harvey (Edmonton East)
Heap	Hunter
Jordan	Karpoff
Keyes	Kilger (Stormont—Dundas)
Langdon (Essex—Windsor)	Lee
MacAulay	MacDonald (Dartmouth)
MacLellan	Maheu
Manley	Marchi
McGuire	McLaughlin
Mifflin	Milliken
Mills	Mitchell
Murphy	Nunziata
Pagtakhan	Parent
Peterson	Phinney
Proud	Prud'homme
Robichaud	Robinson
Rocheleau	Rompkey
Simmons	Speller
Stewart	Taylor
Vanclief	Volpe
Walker	Young (Beaches—Woodbine)—74

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

CONCURRENCE IN VOTE 1—DEPARTMENT OF FISHERIES AND OCEANS

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Vote 1 of the amount of $490,517,000 of the Department of Fisheries and Oceans, operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1990, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Shall I dispense with the ringing of the bells?

Some Hon. Members: Dispense.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 76*)

YEAS

Members

Anderson	Atkinson
Belsher	Bernier
Bertrand	Bird
Blackburn (Jonquière)	Blais
Bosley	Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)	Bourgault
Brightwell	Browes
Cadieux	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Champagne (Champlain)
Charest	Chartrand
Clark (Brandon—Souris)	Clifford
Collins	Cooper
Corbeil	Corbett
Crosby (Halifax West)	Darling
DeBlois	de Cotret
Della Noce	Desjardins
Dobbie	Domm
Duplessis	Edwards
Epp	Fee
Feltham	Fontaine
Fretz	Friesen
Gérin	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Hockin
Holtmann	Horner
Horning	Jacques
James	Jelinek
Kempling	Kilgour (Edmonton Southeast)
Koury	Landry
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Littlechild
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Malone
Martin (Lincoln)	Masse
Mayer	Mazankowski

McDermid	Merrithew
Mitges	Monteith
Moore	O'Kurley
Paproski	Plamondon
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Ricard	Roy-Arcelin
Schneider	Scott (Victoria—Haliburton)
Shields	Siddon
Sparrow	Stevenson
Tardif	Tétreault
Thorkelson	Tremblay (Rosemont)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Vankoughnet	Venne
Vézina	Vien
Vincent	White
Wilbee	Wilson (Swift Current—Maple Creek—
Assiniboia)	Wilson (Etobicoke Centre)
Winegard	Worthy—119

NAYS

Members

Allmand	Althouse
Angus	Arseneault
Assad	Baker
Bélair	Bellemare
Benjamin	Bevilacqua
Black	Blackburn (Brant)
Boudria	Brewin
Caccia	Callbeck
Campbell (South West Nova)	Catterall
Clancy	Comuzzi
Crawford	Dingwall
Duhamel	Finestone
Fisher	Flis
Foster	Funk
Gaffney	Gauthier
Gray (Windsor West)	Harb
Harvard	Harvey (Edmonton East)
Heap	Hunter
Jordan	Karpoff
Keyes	Kilger (Stormont—Dundas)
Langdon (Essex—Windsor)	Lee
MacAulay	MacDonald (Dartmouth)
MacLellan	Maheu
Manley	Marchi
McGuire	McLaughlin
Mifflin	Milliken
Mills	Mitchell
Murphy	Nunziata
Pagtakhan	Parent
Peterson	Phinney
Proud	Prud'homme
Robichaud	Robinson
Rocheleau	Rompkey
Simmons	Speller
Stewart	Taylor
Vanclief	Volpe
Walker	Young (Beaches —Woodbine)—74

• (1825)

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

CONCURRENCE IN VOTE 1—MINISTRY OF STATE (FORESTRY)

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Vote 1 in the amount of $82,641,000 under the Ministry of State (Forestry)—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1990, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Shall I dispense with the ringing of the bells?

Some Hon. Members: Dispense.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 77*)

YEAS

Members

Anderson	Atkinson
Belsher	Bernier
Bertrand	Bird
Blackburn (Jonquière)	Blais
Bosley	Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)	Bourgault
Brightwell	Browes
Cadieux	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Champagne (Champlain)
Charest	Chartrand
Clark (Brandon—Souris)	Clifford
Collins	Cooper
Corbeil	Corbett
Crosby (Halifax West)	Darling
DeBlois	de Cotret
Della Noce	Desjardins
Dobbie	Domm
Duplessis	Edwards
Epp	Fee
Feltham	Fontaine
Fretz	Friesen
Gérin	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Hockin
Holtmann	Horner
Horning	Jacques
James	Jelinek
Kempling	Kilgour (Edmonton Southeast)
Koury	Landry
Langlois	Larrivée
Layton	Leblanc (Longueuil)

Lewis	Littlechild
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Malone
Martin (Lincoln)	Masse
Mayer	Mazankowski
McDermid	Merrithew
Mitges	Monteith
Moore	O'Kurley
Paproski	Plamondon
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Ricard	Roy-Arcelin
Schneider	Scott (Victoria—Haliburton)
Shields	Siddon
Sparrow	Stevenson
Tardif	Tétreault
Thorkelson	Tremblay (Rosemont)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Vankoughnet	Venne
Vézina	Vien
Vincent	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard	Wilson (Etobicoke Centre)
	Worthy—119

NAYS

Members

Allmand	Althouse
Angus	Arseneault
Assad	Baker
Bélair	Bellemare
Benjamin	Bevilacqua
Black	Blackburn (Brant)
Boudria	Brewin
Caccia	Callbeck
Campbell (South West Nova)	Catterall
Clancy	Comuzzi
Crawford	Dingwall
Duhamel	Finestone
Fisher	Flis
Foster	Funk
Gaffney	Gauthier
Gray (Windsor West)	Harb
Harvard	Harvey (Edmonton East)
Heap	Hunter
Jordan	Karpoff
Keyes	Kilger (Stormont—Dundas)
Langdon (Essex—Windsor)	Lee
MacAulay	MacDonald (Dartmouth)
MacLellan	Maheu
Manley	Marchi
McGuire	McLaughlin
Mifflin	Milliken
Mills	Mitchell
Murphy	Nunziata
Pagtakhan	Parent
Peterson	Phinney
Proud	Prud'homme
Robichaud	Robinson
Rocheleau	Rompkey
Simmons	Speller
Stewart	Taylor
Vanclief	Volpe
Walker	Young (Beaches—Woodbine)—74

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Mr. Gauthier: Madam Speaker, I think you would find a disposition to apply the vote just taken on this motion and on the subsequent motions until we get to Motion No. 10, at which time this caucus would like to stand up for defence matters. Because of the base closures and the importance this has to our constituencies, we would like to stand up for them.

CONCURRENCE IN VOTE 1—DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Vote 1, in the amount of $42,470,000 under the Department of Indian Affairs and Northern Development—Administration—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1990, be concurred in.

The House divided on the motion, which was agreed to on the following division:

(Division No. 78)

YEAS

Members

Anderson	Atkinson
Belsher	Bernier
Bertrand	Bird
Blackburn (Jonquière)	Blais
Bosley	Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)	Bourgault
Brightwell	Browes
Cadieux	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Champagne (Champlain)
Charest	Chartrand
Clark (Brandon—Souris)	Clifford
Collins	Cooper
Corbeil	Corbett
Crosby (Halifax West)	Darling
DeBlois	de Cotret
Della Noce	Desjardins
Dobbie	Domm
Duplessis	Edwards
Epp	Fee
Feltham	Fontaine
Fretz	Friesen
Gérin	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Hockin
Holtmann	Horner
Horning	Jacques
James	Jelinek
Kempling	Kilgour (Edmonton Southeast)
Koury	Landry
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Littlechild
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Malone
Martin (Lincoln)	Masse
Mayer	Mazankowski
McDermid	Merrithew
Mitges	Monteith
Moore	O'Kurley
Paproski	Plamondon
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Ricard	Roy-Arcelin
Schneider	Scott (Victoria—Haliburton)
Shields	Siddon
Sparrow	Stevenson

Tardif
Thorkelson
Tremblay (Lotbinière)
Vankoughnet
Vézina
Vincent
Wilbee
Assiniboia)
Winegard

Tétreault
Tremblay (Rosemont)
Turner (Halton—Peel)
Venne
Vien
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—119

NAYS

Members

Allmand
Angus
Assad
Bélair
Benjamin
Black
Boudria
Caccia
Campbell (South West Nova)
Clancy
Crawford
Duhamel
Fisher
Foster
Gaffney
Gray (Windsor West)
Harvard
Heap
Jordan
Keyes
Langdon (Essex—Windsor)
MacAulay
MacLellan
Manley
McGuire
Mifflin
Mills
Murphy
Pagtakhan
Peterson
Proud
Robichaud
Rocheleau
Simmons
Stewart
Vanclief
Walker

Althouse
Arseneault
Baker
Bellemare
Bevilacqua
Blackburn (Brant)
Brewin
Callbeck
Catterall
Comuzzi
Dingwall
Finestone
Flis
Funk
Gauthier
Harb
Harvey (Edmonton East)
Hunter
Karpoff
Kilger (Stormont—Dundas)
Lee
MacDonald (Dartmouth)
Maheu
Marchi
McLaughlin
Milliken
Mitchell
Nunziata
Parent
Phinney
Prud'homme
Robinson
Rompkey
Speller
Taylor
Volpe
Young (Beaches —Woodbine)—74

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

CONCURRENCE IN VOTE 1—DEPARTMENT OF INDUSTRY, SCIENCE AND TECHNOLOGY

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Vote 1, in the amount of $177,963,000 under the Department of Industry, Science and Technology—Industry and Technology—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1990, be concurred in.

The House divided on the motion, which was agreed to on the following division:

Supply

(Division No. 79)

YEAS

Members

Anderson
Belsher
Bertrand
Blackburn (Jonquière)
Bosley
Bouchard (Lac-Saint-Jean)
Brightwell
Cadieux
Cardiff
Chadwick
Charest
Clark (Brandon—Souris)
Collins
Corbeil
Crosby (Halifax West)
DeBlois
Della Noce
Dobbie
Duplessis
Epp
Feltham
Fretz
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
James
Kempling
Koury
Langlois
Layton
Lewis
Loiselle
MacDonald (Rosedale)
MacKay
Martin (Lincoln)
Mayer
McDermid
Mitges
Moore
Paproski
Plourde
Pronovost
Reid
Ricard
Schneider
Shields
Sparrow
Tardif
Thorkelson
Tremblay (Lotbinière)
Vankoughnet
Vézina
Vincent
Wilbee
Assiniboia)
Winegard

Atkinson
Bernier
Bird
Blais
Bouchard (Roberval)
Bourgault
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Chartrand
Clifford
Cooper
Corbett
Darling
de Cotret
Desjardins
Domm
Edwards
Fee
Fontaine
Friesen
Gibeau
Guilbault
Halliday
Hawkes
Hockin
Horner
Jacques
Jelinek
Kilgour (Edmonton Southeast)
Landry
Larrivée
Leblanc (Longueuil)
Littlechild
Lopez
MacDougall (Timiskaming)
Malone
Masse
Mazankowski
Merrithew
Monteith
O'Kurley
Plamondon
Porter
Redway
Reimer
Roy-Arcelin
Scott (Victoria—Haliburton)
Siddon
Stevenson
Tétreault
Tremblay (Rosemont)
Turner (Halton—Peel)
Venne
Vien
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—119

NAYS

Members

Allmand
Angus
Assad
Bélair
Benjamin
Black
Boudria

Althouse
Arseneault
Baker
Bellemare
Bevilacqua
Blackburn (Brant)
Brewin

Caccia
Campbell (South West Nova)
Clancy
Crawford
Duhamel
Fisher
Foster
Gaffney
Gray (Windsor West)
Harvard
Heap
Jordan
Keyes
Langdon (Essex—Windsor)
MacAulay
MacLellan
Manley
McGuire
Mifflin
Mills
Murphy
Pagtakhan
Peterson
Proud
Robichaud
Rocheleau
Simmons
Stewart
Vanclief
Walker
Callbeck
Catterall
Comuzzi
Dingwall
Finestone
Flis
Funk
Gauthier
Harb
Harvey (Edmonton East)
Hunter
Karpoff
Kilger (Stormont—Dundas)
Lee
MacDonald (Dartmouth)
Maheu
Marchi
McLaughlin
Milliken
Mitchell
Nunziata
Parent
Phinney
Prud'homme
Robinson
Rompkey
Speller
Taylor
Volpe
Young (Beaches —Woodbine)—74

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

CONCURRENCE IN VOTE 1—DEPARTMENT OF JUSTICE

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Vote 1, in the amount of $111,201,000 under the Department of Justice—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1990, be concurred in.

The House divided on the motion, which was agreed to on the following division:

(Division No. 80)

YEAS

Members

Anderson
Belsher
Bertrand
Blackburn (Jonquière)
Bosley
Bouchard (Lac-Saint-Jean)
Brightwell
Cadieux
Cardiff
Chadwick
Charest
Clark (Brandon—Souris)
Collins
Corbeil
Crosby (Halifax West)
DeBlois
Della Noce
Dobbie
Duplessis
Epp
Feltham
Fretz
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
James
Kempling
Koury
Langlois
Layton
Lewis
Loiselle
MacDonald (Rosedale)
MacKay
Martin (Lincoln)
Mayer
McDermid
Mitges
Moore
Paproski
Plourde
Pronovost
Reid
Ricard
Schneider
Shields
Sparrow
Tardif
Thorkelson
Tremblay (Lotbinière)
Vankoughnet
Vézina
Vincent
Wilbee
Assiniboia)
Winegard
Atkinson
Bernier
Bird
Blais
Bouchard (Roberval)
Bourgault
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Chartrand
Clifford
Cooper
Corbett
Darling
de Cotret
Desjardins
Domm
Edwards
Fee
Fontaine
Friesen
Gibeau
Guilbault
Halliday
Hawkes
Hockin
Horner
Jacques
Jelinek
Kilgour (Edmonton Southeast)
Landry
Larrivée
Leblanc (Longueuil)
Littlechild
Lopez
MacDougall (Timiskaming)
Malone
Masse
Mazankowski
Merrithew
Monteith
O'Kurley
Plamondon
Porter
Redway
Reimer
Roy-Arcelin
Scott (Victoria—Haliburton)
Siddon
Stevenson
Tétreault
Tremblay (Rosemont)
Turner (Halton—Peel)
Venne
Vien
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—119

NAYS

Members

Allmand
Angus
Assad
Bélair
Benjamin
Black
Boudria
Caccia
Campbell (South West Nova)
Clancy
Crawford
Duhamel
Fisher
Foster
Gaffney
Gray (Windsor West)
Harvard
Heap
Jordan
Keyes
Langdon (Essex—Windsor)
MacAulay
MacLellan
Manley
McGuire
Mifflin
Mills
Murphy
Pagtakhan
Peterson
Proud
Robichaud
Rocheleau
Simmons
Stewart
Vanclief
Walker
Althouse
Arseneault
Baker
Bellemare
Bevilacqua
Blackburn (Brant)
Brewin
Callbeck
Catterall
Comuzzi
Dingwall
Finestone
Flis
Funk
Gauthier
Harb
Harvey (Edmonton East)
Hunter
Karpoff
Kilger (Stormont—Dundas)
Lee
MacDonald (Dartmouth)
Maheu
Marchi
McLaughlin
Milliken
Mitchell
Nunziata
Parent
Phinney
Prud'homme
Robinson
Rompkey
Speller
Taylor
Volpe
Young (Beaches —Woodbine)—74

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

CONCURRENCE IN VOTE 1—DEPARTMENT OF NATIONAL DEFENCE

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Vote 1, in the amount of $7,497,290,000 under the Department of National Defence—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1990, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 81*)

YEAS

Members

Anderson	Atkinson
Belsher	Bernier
Bertrand	Bird
Blackburn (Jonquière)	Blais
Bosley	Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)	Bourgault
Brightwell	Browes
Cadieux	Campbell (Vancouver Centre)
Casey	Chadwick
Champagne (Champlain)	Charest
Chartrand	Clark (Brandon—Souris)
Clifford	Collins
Cooper	Corbeil
Corbett	Crosby (Halifax West)
Darling	de Cotret
Della Noce	Desjardins
Dobbie	Domm
Duplessis	Edwards
Epp	Fee
Feltham	Fontaine
Fretz	Friesen
Gérin	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Hockin
Horner	Horning
Jacques	James
Jelinek	Kempling
Kilgour (Edmonton Southeast)	Koury
Landry	Langlois
Larrivée	Layton
Leblanc (Longueuil)	Lewis
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Malone
Martin (Lincoln)	Masse
Mayer	Mazankowski
McDermid	Merrithew
Mitges	Monteith
Moore	O'Kurley
Paproski	Plamondon
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Ricard	Roy-Arcelin
Schneider	Scott (Victoria—Haliburton)
Shields	Siddon
Sparrow	Stevenson
Tardif	Tétreault
Tremblay (Rosemont)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Vankoughnet
Venne	Vézina
Vien	Vincent
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—114	

NAYS

Members

Allmand	Althouse
Angus	Arseneault
Assad	Baker
Bélair	Bellemare
Benjamin	Bevilacqua
Black	Blackburn (Brant)
Boudria	Brewin
Caccia	Callbeck
Campbell (South West Nova)	Catterall
Clancy	Comuzzi
Crawford	Dingwall
Duhamel	Finestone
Flis	Foster
Funk	Gaffney
Gauthier	Gray (Windsor West)
Harb	Harvey (Edmonton East)
Heap	Hunter
Jordan	Karpoff
Keyes	Langdon (Essex—Windsor)
Lee	MacAulay
MacDonald (Dartmouth)	MacLellan
Maheu	Manley
McGuire	McLaughlin
Mifflin	Milliken
Mills	Mitchell
Murphy	Pagtakhan
Parent	Peterson
Phinney	Proud
Prud'homme	Robichaud
Robinson	Rocheleau
Rompkey	Simmons
Speller	Stewart
Taylor	Vanclief
Volpe	Walker
Young (Beaches—Woodbine)—69	

• (1835)

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The next question is on Motion No. 11 in the name of the President of the Treasury Board (Mr. de Cotret).

Hon. Robert de Cotret (President of the Treasury Board) moved:

Motion No. 11

That Vote 1, in the amount of $63,726,500 under the Department of National Health and Welfare—Departmental Administration—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1990, be concurred in.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five Members having risen:

Mr. Gauthier: Madam Speaker, I think you will find there is unanimous consent of the House to apply the vote on Motion no. 10 to Motion No. 11, as well as Motions No. 12, 13, and 14. However I ask for a recorded vote on Motion No. 15 to protest against VIA Rail cuts.

The House divided on Motion No. 11, which was agreed to on the following division:

(*Division No. 82*)

YEAS

Members

Anderson
Atkinson
Belsher
Bernier
Bertrand
Bird
Blackburn (Jonquière)
Blais
Bosley
Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)
Bourgault
Brightwell
Browes
Cadieux
Campbell (Vancouver Centre)
Casey
Chadwick
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon—Souris)
Clifford
Collins
Cooper
Corbeil
Corbett
Crosby (Halifax West)
Darling
de Cotret
Della Noce
Desjardins
Dobbie
Domm
Duplessis
Edwards
Epp
Fee
Feltham
Fontaine
Fretz
Friesen
Gérin
Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Gustafson
Halliday
Harvey (Chicoutimi)
Hawkes
Hicks
Hockin
Horner
Horning
Jacques
James
Jelinek
Kempling
Kilgour (Edmonton Southeast)
Koury
Landry
Langlois
Larrivée
Layton
Leblanc (Longueuil)
Lewis
Loiselle
Lopez
MacDonald (Rosedale)
MacDougall (Timiskaming)
MacKay
Malone
Martin (Lincoln)
Masse
Mayer
Mazankowski
McDermid
Merrithew
Mitges
Monteith
Moore
O'Kurley
Paproski
Plamondon
Plourde
Porter
Pronovost
Redway
Reid
Reimer
Ricard
Roy-Arcelin
Schneider
Scott (Victoria—Haliburton)
Shields
Siddon
Sparrow
Stevenson
Tardif
Tétreault
Tremblay (Rosemont)
Tremblay (Lotbinière)
Turner (Halton—Peel)
Vankoughnet
Venne
Vézina
Vien
Vincent
White
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Winegard
Worthy—114

NAYS

Members

Allmand
Althouse
Angus
Arseneault
Assad
Baker
Bélair
Bellemare
Benjamin
Bevilacqua
Black
Blackburn (Brant)
Boudria
Brewin
Caccia
Callbeck
Campbell (South West Nova)
Catterall
Clancy
Comuzzi
Crawford
Dingwall
Duhamel
Finestone
Flis
Foster
Funk
Gaffney
Gauthier
Gray (Windsor West)
Harb
Harvey (Edmonton East)
Heap
Hunter
Jordan
Karpoff
Keyes
Langdon (Essex—Windsor)
Lee
MacAulay
MacDonald (Dartmouth)
MacLellan
Maheu
Manley
McGuire
McLaughlin
Mifflin
Milliken
Mills
Mitchell
Murphy
Pagtakhan
Parent
Peterson
Phinney
Proud

Prud'homme — Robichaud
Robinson — Rocheleau
Rompkey — Simmons
Speller — Stewart
Taylor — Vanclief
Volpe — Walker
Young (Beaches—Woodbine)—69

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Hon. Robert de Cotret (President of the Treasury Board) moved:

Motion No. 12

That Vote 1, in the amount of $435,015,500 under the Department of National Revenue—Customs and Excise—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1990, be concurred in.

The House divided on Motion No. 12, which was agreed to on the following division.

(Division No. 83)

YEAS

Members

Anderson — Atkinson
Belsher — Bernier
Bertrand — Bird
Blackburn (Jonquière) — Blais
Bosley — Bouchard (Roberval)
Bouchard (Lac-Saint-Jean) — Bourgault
Brightwell — Browes
Cadieux — Campbell (Vancouver Centre)
Casey — Chadwick
Champagne (Champlain) — Charest
Chartrand — Clark (Brandon—Souris)
Clifford — Collins
Cooper — Corbeil
Corbett — Crosby (Halifax West)
Darling — de Cotret
Della Noce — Desjardins
Dobbie — Domm
Duplessis — Edwards
Epp — Fee
Feltham — Fontaine
Fretz — Friesen
Gérin — Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine) — Guilbault
Gustafson — Halliday
Harvey (Chicoutimi) — Hawkes
Hicks — Hockin
Horner — Horning
Jacques — James
Jelinek — Kempling
Kilgour (Edmonton Southeast) — Koury
Landry — Langlois
Larrivée — Layton
Leblanc (Longueuil) — Lewis
Loiselle — Lopez
MacDonald (Rosedale) — MacDougall (Timiskaming)
MacKay — Malone
Martin (Lincoln) — Masse
Mayer — Mazankowski
McDermid — Merrithew
Mitges — Monteith
Moore — O'Kurley
Paproski — Plamondon
Plourde — Porter
Pronovost — Redway
Reid — Reimer
Ricard — Roy-Arcelin
Schneider — Scott (Victoria—Haliburton)
Shields — Siddon
Sparrow — Stevenson
Tardif — Tétreault
Tremblay (Rosemont) — Tremblay (Lotbinière)
Turner (Halton—Peel) — Vankoughnet
Venne — Vézina
Vien — Vincent
White — Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia) — Winegard
Wilson (Etobicoke Centre)
Worthy—114

NAYS

Members

Allmand — Althouse
Angus — Arseneault
Assad — Baker
Bélair — Bellemare
Benjamin — Bevilacqua
Black — Blackburn (Brant)
Boudria — Brewin
Caccia — Callbeck
Campbell (South West Nova) — Catterall
Clancy — Comuzzi
Crawford — Dingwall
Duhamel — Finestone
Flis — Foster
Funk — Gaffney
Gauthier — Gray (Windsor West)
Harb — Harvey (Edmonton East)
Heap — Hunter
Jordan — Karpoff
Keyes — Langdon (Essex—Windsor)
Lee — MacAulay
MacDonald (Dartmouth) — MacLellan
Maheu — Manley
McGuire — McLaughlin
Mifflin — Milliken
Mills — Mitchell
Murphy — Pagtakhan
Parent — Peterson
Phinney — Proud
Prud'homme — Robichaud
Robinson — Rocheleau
Rompkey — Simmons
Speller — Stewart
Taylor — Vanclief
Volpe — Walker
Young (Beaches—Woodbine)—69

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Hon. Robert de Cotret (President of the Treasury Board) moved:

Motion No. 13

That Vote 1, in the amount of $48,674,000 under the Privy Council—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1990, be concurred in.

The House divided on motion No. 13, which was agreed to on the following division:

(Division No. 84)

YEAS

Members

Anderson — Atkinson
Belsher — Bernier
Bertrand — Bird
Blackburn (Jonquière) — Blais
Bosley — Bouchard (Roberval)
Bouchard (Lac-Saint-Jean) — Bourgault
Brightwell — Browes
Cadieux — Campbell (Vancouver Centre)
Casey — Chadwick

Champagne (Champlain)
Chartrand
Clifford
Cooper
Corbett
Darling
Della Noce
Dobbie
Duplessis
Epp
Feltham
Fretz
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Harvey (Chicoutimi)
Hicks
Horner
Jacques
Jelinek
Kilgour (Edmonton Southeast)
Landry
Larrivée
Leblanc (Longueuil)
Loiselle
MacDonald (Rosedale)
MacKay
Martin (Lincoln)
Mayer
McDermid
Mitges
Moore
Paproski
Plourde
Pronovost
Reid
Ricard
Schneider
Shields
Sparrow
Tardif
Tremblay (Rosemont)
Turner (Halton—Peel)
Venne
Vien
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—114

Charest
Clark (Brandon—Souris)
Collins
Corbeil
Crosby (Halifax West)
de Cotret
Desjardins
Domm
Edwards
Fee
Fontaine
Friesen
Gibeau
Guilbault
Halliday
Hawkes
Hockin
Horning
James
Kempling
Koury
Langlois
Layton
Lewis
Lopez
MacDougall (Timiskaming)
Malone
Masse
Mazankowski
Merrithew
Monteith
O'Kurley
Plamondon
Porter
Redway
Reimer
Roy-Arcelin
Scott (Victoria—Haliburton)
Siddon
Stevenson
Tétreault
Tremblay (Lotbinière)
Vankoughnet
Vézina
Vincent
Wilbee
Winegard

NAYS

Members

Allmand
Angus
Assad
Bélair
Benjamin
Black
Boudria
Caccia
Campbell (South West Nova)
Clancy
Crawford
Duhamel
Flis
Funk
Gauthier
Harb
Heap
Jordan
Keyes
Lee
MacDonald (Dartmouth)
Maheu
McGuire
Mifflin
Mills
Murphy

Althouse
Arseneault
Baker
Bellemare
Bevilacqua
Blackburn (Brant)
Brewin
Callbeck
Catterall
Comuzzi
Dingwall
Finestone
Foster
Gaffney
Gray (Windsor West)
Harvey (Edmonton East)
Hunter
Karpoff
Langdon (Essex—Windsor)
MacAulay
MacLellan
Manley
McLaughlin
Milliken
Mitchell
Pagtakhan

Parent
Phinney
Prud'homme
Robinson
Rompkey
Speller
Taylor
Volpe
Young (Beaches —Woodbine)—69

Peterson
Proud
Robichaud
Rocheleau
Simmons
Stewart
Vanclief
Walker

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Hon. Robert de Cotret (President of the Treasury Board) moved:

Motion No. 14

That Vote 1, in the amount of $25,716,000 under the Department of the Solicitor General—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1990, be concurred in.

The House divided on motion No. 14, which was agreed to on the following division:

(Division No. 85)

YEAS

Members

Anderson
Belsher
Bertrand
Blackburn (Jonquière)
Bosley
Bouchard (Lac-Saint-Jean)
Brightwell
Cadieux
Casey
Champagne (Champlain)
Chartrand
Clifford
Cooper
Corbett
Darling
Della Noce
Dobbie
Duplessis
Epp
Feltham
Fretz
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Harvey (Chicoutimi)
Hicks
Horner
Jacques
Jelinek
Kilgour (Edmonton Southeast)
Landry
Larrivée
Leblanc (Longueuil)
Loiselle
MacDonald (Rosedale)
MacKay
Martin (Lincoln)
Mayer
McDermid
Mitges
Moore
Paproski
Plourde
Pronovost
Reid
Ricard
Schneider

Atkinson
Bernier
Bird
Blais
Bouchard (Roberval)
Bourgault
Browes
Campbell (Vancouver Centre)
Chadwick
Charest
Clark (Brandon—Souris)
Collins
Corbeil
Crosby (Halifax West)
de Cotret
Desjardins
Domm
Edwards
Fee
Fontaine
Friesen
Gibeau
Guilbault
Halliday
Hawkes
Hockin
Horning
James
Kempling
Koury
Langlois
Layton
Lewis
Lopez
MacDougall (Timiskaming)
Malone
Masse
Mazankowski
Merrithew
Monteith
O'Kurley
Plamondon
Porter
Redway
Reimer
Roy-Arcelin
Scott (Victoria—Haliburton)

Shields	Siddon
Sparrow	Stevenson
Tardif	Tétreault
Tremblay (Rosemont)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Vankoughnet
Venne	Vézina
Vien	Vincent
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—114	

NAYS

Members

Allmand	Althouse
Angus	Arseneault
Assad	Baker
Bélair	Bellemare
Benjamin	Bevilacqua
Black	Blackburn (Brant)
Boudria	Brewin
Caccia	Callbeck
Campbell (South West Nova)	Catterall
Clancy	Comuzzi
Crawford	Dingwall
Duhamel	Finestone
Flis	Foster
Funk	Gaffney
Gauthier	Gray (Windsor West)
Harb	Harvey (Edmonton East)
Heap	Hunter
Jordan	Karpoff
Keyes	Langdon (Essex—Windsor)
Lee	MacAulay
MacDonald (Dartmouth)	MacLellan
Maheu	Manley
McGuire	McLaughlin
Mifflin	Milliken
Mills	Mitchell
Murphy	Pagtakhan
Parent	Peterson
Phinney	Proud
Prud'homme	Robichaud
Robinson	Rocheleau
Rompkey	Simmons
Speller	Stewart
Taylor	Vanclief
Volpe	Walker
Young (Beaches—Woodbine)—69	

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

[*English*]

CONCURRENCE IN VOTE 1—DEPARTMENT OF TRANSPORT

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Vote 1, in the amount of $623,486,000 under the Department of Transport—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1990, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Shall I dispense with the ringing of the bells.

Some Hon. Members: Dispense.

The House divided on the motion, which was agreed to on the following division:

• (1840)

[*Translation*]

(*Division No. 86*)

YEAS

Members

Anderson	Atkinson
Belsher	Bernier
Bertrand	Bird
Blackburn (Jonquière)	Blais
Bosley	Bouchard (Lac-Saint-Jean)
Bourgault	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Casey
Chadwick	Champagne (Champlain)
Charest	Chartrand
Clark (Brandon—Souris)	Clifford
Collins	Cooper
Corbeil	Corbett
Crosby (Halifax West)	Darling
de Cotret	Della Noce
Desjardins	Dobbie
Domm	Duplessis
Edwards	Epp
Fee	Feltham
Fontaine	Fretz
Friesen	Gérin
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hicks
Hockin	Horner
Horning	Jacques
James	Jelinek
Kempling	Kilgour (Edmonton Southeast)
Koury	Langlois
Larrivée	Layton
Leblanc (Longueuil)	Lewis
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Malone
Martin (Lincoln)	Masse
Mayer	Mazankowski
McDermid	Merrithew
Mitges	Monteith
Moore	O'Kurley
Paproski	Plamondon
Plourde	Porter
Pronovost	Redway
Reid	Reimer

Ricard
Schneider
Shields
Sparrow
Tardif
Tremblay (Rosemont)
Vankoughnet
Vézina
Vincent
Wilbee
Assiniboia)
Winegard
Roy–Arcelin
Scott (Victoria—Haliburton)
Siddon
Stevenson
Tétreault
Turner (Halton—Peel)
Venne
Vien
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—111

NAYS

Members

Allmand
Angus
Assad
Bélair
Benjamin
Black
Boudria
Caccia
Campbell (South West Nova)
Clancy
Crawford
Duhamel
Flis
Funk
Gauthier
Harb
Heap
Jordan
Keyes
Lee
MacDonald (Dartmouth)
Maheu
McGuire
Mifflin
Mills
Murphy
Parent
Phinney
Prud'homme
Robinson
Rompkey
Speller
Taylor
Volpe
Young (Beaches —Woodbine)—69
Althouse
Arseneault
Baker
Bellemare
Bevilacqua
Blackburn (Brant)
Brewin
Callbeck
Catterall
Comuzzi
Dingwall
Finestone
Foster
Gaffney
Gray (Windsor West)
Harvey (Edmonton East)
Hunter
Karpoff
Langdon (Essex—Windsor)
MacAulay
MacLellan
Manley
McLaughlin
Milliken
Mitchell
Pagtakhan
Peterson
Proud
Robichaud
Rocheleau
Simmons
Stewart
Vanclief
Walker

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Mr. Gauthier: Madam Speaker, I think you will find there is unanimous consent for applying the results of the vote on motion No. 15 to motion No. 16.

The Acting Speaker (Mrs. Champagne): The next question is on motion No. 16 in the name of the President of the Treasury Board (Mr. de Cotret).

Hon. Robert de Cotret (President of the Treasury Board) moved:

Motion No. 16

That Vote 1, in the amount of $63,508,000 under the Department the Treasury Board—Central Administration of the Public Service Program—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1990, be concurred in.

The House divided on motion No. 16, which was agreed to on the following division:

(Division No. 87)

YEAS

Members

Anderson
Belsher
Bertrand
Blackburn (Jonquière)
Bosley
Bourgault
Browes
Campbell (Vancouver Centre)
Chadwick
Charest
Clark (Brandon—Souris)
Collins
Corbeil
Crosby (Halifax West)
de Cotret
Desjardins
Domm
Edwards
Fee
Fontaine
Friesen
Gibeau
Guilbault
Halliday
Hawkes
Hockin
Horning
James
Kempling
Koury
Larrivée
Leblanc (Longueuil)
Loiselle
MacDonald (Rosedale)
MacKay
Martin (Lincoln)
Mayer
McDermid
Mitges
Moore
Paproski
Plourde
Pronovost
Reid
Ricard
Schneider
Shields
Sparrow
Tardif
Tremblay (Rosemont)
Vankoughnet
Vézina
Vincent
Wilbee
Assiniboia)
Winegard
Atkinson
Bernier
Bird
Blais
Bouchard (Lac-Saint-Jean)
Brightwell
Cadieux
Casey
Champagne (Champlain)
Chartrand
Clifford
Cooper
Corbett
Darling
Della Noce
Dobbie
Duplessis
Epp
Feltham
Fretz
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Harvey (Chicoutimi)
Hicks
Horner
Jacques
Jelinek
Kilgour (Edmonton Southeast)
Langlois
Layton
Lewis
Lopez
MacDougall (Timiskaming)
Malone
Masse
Mazankowski
Merrithew
Monteith
O'Kurley
Plamondon
Porter
Redway
Reimer
Roy-Arcelin
Scott (Victoria—Haliburton)
Siddon
Stevenson
Tétreault
Turner (Halton—Peel)
Venne
Vien
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—111

NAYS

Members

Allmand
Angus
Assad
Bélair
Althouse
Arseneault
Baker
Bellemare

Benjamin	Bevilacqua
Black	Blackburn (Brant)
Boudria	Brewin
Caccia	Callbeck
Campbell (South West Nova)	Catterall
Clancy	Comuzzi
Crawford	Dingwall
Duhamel	Finestone
Flis	Foster
Funk	Gaffney
Gauthier	Gray (Windsor West)
Harb	Harvey (Edmonton East)
Heap	Hunter
Jordan	Karpoff
Keyes	Langdon (Essex—Windsor)
Lee	MacAulay
MacDonald (Dartmouth)	MacLellan
Maheu	Manley
McGuire	McLaughlin
Mifflin	Milliken
Mills	Mitchell
Murphy	Pagtakhan
Parent	Peterson
Phinney	Proud
Prud'homme	Robichaud
Robinson	Rocheleau
Rompkey	Simmons
Speller	Stewart
Taylor	Vanclief
Volpe	Walker
Young (Beaches—Woodbine)—69	

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

[*English*]

CONCURRENCE IN MAIN ESTIMATES

Hon. Robert de Cotret (President of the Treasury Board) moved:

That the Main Estimates for the fiscal year ending March 31, 1990, laid upon the table, Friday, April 28, 1989, except the items disposed of earlier this day and less the amounts voted in Interim Supply, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to.

Mr. de Cotret thereupon moved that Bill C-42, an act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1990, be read the first time.

Motion agreed to and bill read the first time.

Mr. de Cotret thereupon moved that Bill C-42, an act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1990, be read the second time and referred to the Committee of the Whole.

Motion agreed to, bill read the second time and the House went into committee thereon, Mrs. Champagne in the chair.

• (1850)

On clause 2—

Mr. Gray (Windsor West): Madam Chairman, I have a question I want to put to the President of the Treasury Board. I would like to have his attention. It is a very important bill and he may want to familiarize himself with it because I want to ask him if he would give the customary assurance to this House that this bill is in the usual customary form and does not depart from that form.

Mr. de Cotret: Madam Chairman, I would like to assure hon. colleagues that the form of this bill is the same as that passed in previous years.

The Assistant Deputy Chairman: Shall clause 2 carry?

Some Hon. Members: On division.

Clause agreed to.

The Assistant Deputy Chairman: Shall clause 3 carry?

Some Hon. Members: On division.

Clause agreed to.

The Assistant Deputy Chairman: Shall clause 4 carry?

Some Hon. Members: On division.

Clause agreed to.

The Assistant Deputy Chairman: Shall clause 5 carry?

Some Hon. Members: On division.

Clause agreed to.

The Assistant Deputy Chairman: Shall clause 6 carry?

Some Hon. Members: On division.

Clause agreed to.

The Assistant Deputy Chairman: Shall the schedule carry?

Some Hon. Members: On division.

Schedule agreed to.

The Assistant Deputy Chairman: Shall clause 1 carry?

Some Hon. Members: On division.

Clause agreed to.

The Assistant Deputy Chairman: Shall the preamble carry?

Some Hon. Members: On division.

Preamble agreed to.

The Assistant Deputy Chairman: Shall the title carry?

Some Hon. Members: On division.

Title agreed to.

Bill reported.

Mr. de Cotret moved that the bill be concurred in.

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

Some Hon. Members: Agreed.

Motion agreed to.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Pursuant to orders adopted on Tuesday, April 4 and Tuesday, June 27, 1989, the next question is as follows:

Hon. Robert de Cotret (President of the Treasury Board) moved that Bill C–42, an Act for granting to Her Majesty certain sums for the Goverment of Canada for the financial year ending March 31, 1988, be read the third time and passed.

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

Some Hon. Members: On division.

Motion agreed to, Bill read the third time and passed.

The Acting Speaker (Mrs. Champagne): It being 6.54 p.m., the House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 6.54 p.m.

HOUSE OF COMMONS

Friday, October 20, 1989

The House met at 10 a.m.

Prayers

[*English*]

PRIVILEGE

STANDING COMMITTEE ON CONSUMER AND CORPORATE AFFAIRS AND GOVERNMENT OPERATIONS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, this morning I rise on a question of privilege. I want to indicate to the House that yesterday afternoon, just before the closing of the House, I gave a notice in writing to the Speaker that I wanted to rise on a question of privilege at the earliest opportunity, and I thank Mr. Speaker for recognizing me at what is in fact this earliest opportunity.

I want to indicate as well, Mr. Speaker, that if you deem that I have a *prima facie* case of privilege, I am willing to bring the matter, by motion, to the appropriate committee of this House.

Now, Mr. Speaker, privilege is defined in Beauchesne's and of course in Erskine May as—

Mr. Lewis: A point of order, Mr. Speaker.

Mr. Simmons: You cannot interrupt a question of privilege.

Mr. Boudria: You cannot interrupt a question of privilege.

Mr. Speaker: It is an application for privilege. The hon. Minister of Justice rises on a point of order. I am not quite sure what he may wish to say. I certainly will hear him, at least for a moment. I have been listening very carefully, and I want to assure the minister that I will be listening very carefully to the argument. The minister has the floor.

Mr. Lewis: I rise only to suggest, Mr. Speaker, that it would probably be helpful to yourself and the House if my hon. friend, rather than addressing all of the procedural arguments first, were to outline to the House exactly what incident he is referring to.

Mr. Speaker: The Minister of Justice, who has some experience in arguing these matters, has made a suggestion that the hon. member may or may not want to follow.

In any event, I will hear the hon. member and I think that it might be helpful to the Chair if the hon. member did indicate what is the factual basis for the argument. I will then of course be guided by the helpful comments the hon. member may make in terms of references to authorities.

Mr. Boudria: Thank you, Mr. Speaker. It seems evident that the government House leader already has his idea of what he thinks I am going to raise and wants to hear the argument before I even set out to describe to Mr. Speaker what in fact I believe in a general sense has been offended.

Then of course I will describe the incident and describe what has been breached, afterward, in the normal tradition of presenting these kinds of matters in the House. And, while I will not pretend to be an expert on the rules I will match myself against that minister, in particular, at any time.

Mr. Speaker: It would not be for your Speaker to suggest or imply, in any particular, which side of the House has the most expertise on these delicate and sometimes difficult matters.

• (1010)

However I can assure the hon. member for Glengarry—Prescott—Russell that I have full confidence in his ability to put his argument.

Mr. Boudria: Thank you, Mr. Speaker, for your confidence. Privilege is generally defined as found in Beauchesne's Fifth Edition, Citation 16:

> They are enjoyed by individual members, because the House cannot perform its functions without unimpeded use of the services of its members; and by each House for the protection of its members and the vindication of its own authority and dignity.

Mr. Crosby: What edition?

Mr. Boudria: This is from Erskine May. A Conservative member across the way asked what edition. It is from his *Treatise on the Law, Privileges, Proceedings and Usage of Parliament*, Nineteenth Edition. That answers the question of the hon. member for Halifax West.

I want to submit to you that it is important for the privileges of this House that have been extended by this House to parliamentary committees to be able to function.

Mr. Cooper: This is out of order. That happened yesterday. It is out of order. This is 24 hours too late.

Mr. Lewis: This is too late.

Mr. Boudria: Mr. Speaker, I do believe that I gave notice of this point of privilege yesterday.

Mr. Gauthier: Don't be distracted by them. Get to the point.

Mr. Lewis: Yesterday was an opposition day.

Mr. Cooper: Yesterday at eleven o'clock. This happened at 9.30 yesterday morning.

Mr. Simmons: So you admit there are a couple of incidents.

Mr. Gauthier: That's right. They do it all the time.

Mr. Boudria: Mr. Speaker, the incident that I bring to your attention is one that happened at five o'clock yesterday afternoon. It is too bad that some members heckling across the way are so ill informed as they usually are.

Some Hon. Members: Oh, oh!

Mr. Boudria: Why don't you want to hear it? You're not going to go anywhere today unless you listen.

Mr. Speaker: The hon. member complains, at least momentarily, of what is seen as heckling. The Chair of course in a situation like this always accepts comments that are made across the Chamber in as helpful a way as possibly can be interpreted.

The hon. member has the floor and is making an argument. I think it would be appropriate if we heard the hon. member.

Mr. Boudria: Thank you, Mr. Speaker. Standing Order 116 of the House of Commons states:

> In a standing, special or legislative committee, the Standing Orders shall apply so far as may be applicable, except—

And it lists a few exceptions here. It continues:

> —the election of a Speaker, seconding of motions—

And so on. In other words, the Standing Orders of this House must apply to committees save and except a few exceptions that I previously listed. Those same Standing Orders of our House state quite clearly that one cannot discuss in the House an item which is not on the Order Paper.

What I am about to submit to you, Mr. Speaker, is that in fact the equivalent of that happened yesterday in a parliamentary committee of this House. If what happened yesterday is allowed to continue, I would suggest that none of the Standing Orders of the House, which have been duly passed by this House, would have any effect in committee whatsoever. By extension, I do believe that our privileges have been affected by what has happened. I do believe that such is the case.

A few days ago members of the Standing Committee on Consumer and Corporate Affairs and Government Operations received notice of meeting, the committee equivalent of the Order Paper. The document which I have in hand, and which I would like to table before the House, is entitled '*Issue No. 23, Meeting No. 25, Notice of Meeting, Thursday, October 19, 3.30 p.m.*'

It says on the order paper that I have here, or the committee equivalent of the Order Paper, that the item to be considered is as follows: "Consideration of draft report on credit cards." Only one item appears on that order paper, therefore I submit that only one item could be considered by the committee yesterday.

It was also suggested that this meeting had to be *in camera*, although of course I suppose one could alter that if one wanted to. The point I am making is that yesterday afternoon, unbeknownst to members of the opposition, eight Conservative members, most of whom had never been seen at the Standing Committee on Consumer and Corporate Affairs and Government Operations—

Some Hon. Members: Order.

Mr. Gauthier: That is true, that is true.

Mr. Boudria: —because they are not regular members of that committee, were present. They immediately moved a motion that a witness who had been asked by a motion of that committee to testify on October 24 not be made to testify any longer.

The witness in question was Mr. Donald Lander, President and Chief Executive Officer of the Canada Post Corporation. This motion was moved yesterday revoking the previous motion and asking that Mr. Lander no longer be asked to testify next Monday but be asked to come at another date sometime hence.

That item was not on the order paper, not for consideration by the committee and, as a matter of fact, it could have very well been that members generally interested in that issue would have not even known that that item was up for discussion.

If we were, by extension—

Mr. Speaker: Just a moment. I am not going to cut off the hon. member's argument, but I want to ask something.

Is the hon. member making this proposition: that if a notice goes out to members of a committee setting out what is to be discussed or setting out a notice or an agenda, and if something else happens that day, that that is somehow a breach of privilege of members? Is that the proposition?

Mr. Boudria: Not necessarily, Mr. Speaker, but I submit that you could be right. My suggestion is the following, Mr. Speaker, and let me explain to you why I think that upon instances what you say would be—

Mr. Speaker: All I can say is that it is terribly hard to rule against when you make such flattering suggestions, but the Chair is serious. If that is the proposition I must understand it as such.

Mr. Boudria: Mr. Speaker, for instance, the document that I have here states: "orders of the day". If that is the only order of the day listed then that item is as you correctly suggested the one that should be discussed. Of course, without having consulted the steering committee to change the order of the day, then that item should be the only one. Or, alternatively, if unanimous consent of the committee would have been sought and granted, then of course that agenda could have been changed.

As you see, Mr. Speaker, the point I am making to you is that as you indicated earlier it could very well be that this in fact is a question of privilege. It becomes a question of privilege simply because government members on the committee did not seek to do that, moved this motion unilaterally and had it passed.

In conclusion, what has happened is that an item that was never before the committee, a topic that was never before the committee or scheduled before the committee on what was circulated stating "orders of the day". . .and that is what it says on Issue No. 23 of the Standing Committee of Consumer and Corporate Affairs and Government Operations—was before us.

If we are asked to discuss a different item or items without unanimous consent of the committee to change that order, in fact by extension if we were to apply that to the House, the government could stand here on any day and declare that day to be the budget day, unilaterally, without even asking the previous consent of the House.

We just cannot operate that way. We do not do it in this House. I would submit to you that although the committees are the masters of their own business they nevertheless have to respect the orders of the House and you, Sir, are the custodian of those rules of the House which we collectively ask you administer on our behalf.

That is the point, Mr. Speaker, that I wanted to raise with you. I want to say, in conclusion, that I would be prepared to move the appropriate motion if you so deem that I have at least a *prima facie* case of privilege to be brought before the appropriate committee.

Mr. Speaker: If I have understood the argument of the hon. member correctly, the hon. member is really putting to the House that if by way of notice set out by the committee to members something else comes up that was not expected it puts the members at a disadvantage.

• (1020)

Do I understand the argument clearly? That seems to be what flows from what the hon. member from Glengarry—Prescott—Russell has said. At the moment that is the complaint. I suppose what the hon. member is saying is that, given the fact that the notice set out something to be discussed and something else was discussed, that may or may not have affected who would turn up or how many people would turn up. That seems to be the gist of the hon. member's argument.

The hon. member is arguing with some skill that certain rules which apply in this place ought to, under these circumstances, also apply in committee. Have I understood the argument correctly?

Mr. Boudria: Generally, yes.

Mr. Speaker: The hon. member is nodding.

I will come to the hon. member for Vanier in just a moment, but first I will hear the hon. member for Churchill.

Mr. Rod Murphy (Churchill): Mr. Speaker, on the same point, Standing Order 116 of the House reads:

> In a standing, special or legislative committee, the Standing Orders shall apply so far as may be applicable, except the Standing Orders as to the election of a Speaker, seconding of motions, limiting the number of times of speaking and the length of speeches.

In other words, Standing Order 116 implies very directly that the committees are bound by the same rules as the House. In the House we have an order paper which lists the government legislation, as it does on page 11 of today's order paper. The government has the right within the legislation listed to bring any one item up for debate. It can switch, it has that right, but it has to be on the order paper.

The paper that was sent out announcing the committee yesterday was an order paper. It is listed as an order paper. It specified that the business of that committee for that day was not what the Conservative committee members in fact did. It was not an item that was before the committee for that day.

I thought, as we set up our standing committees and as we have talked about parliamentary reform and the importance of the committees having their own mandate and being able to exercise certain independence from the government, that we would have got away from those quick moves and the travelling goon squad of Tory members switching the legislation before committees.

Mr. Cooper: Order, that is a reflection on members.

Mr. Simmons: That is an accurate description.

Mr. Murphy: At an earlier meeting the committee decided that it wanted the head of Canada Post to appear. The committee made that decision with Conservative members there. To have a new group of Conservatives come to a meeting which is called for other purposes and say that they do not want the head of Canada Post to appear before a standing committee of this House is outrageous.

The committee has a right and an obligation to investigate Canada Post. It is an order of that committee. The House has been very favourably disposed to the committee investigating Canada Post and is authorizing travel for that committee for that purpose.

I do not understand why a group of new Conservatives would come to a committee and deny that committee the right to hear from the president of Canada Post, why they would try to do so when the orders of the day for that committee specifically said that the committee was supposed to be doing something else.

I find that the only way we can protect members of the House of Commons from this type of outrageous action happening time after time after time is to make sure that we do send out a notice saying what the purpose of a committee is, why that committee is meeting and that without unanimous consent there is no way the majority of the committee can change the rules midstream. If it does that, we are going to have complete anarchy in all our committees, and that is not acceptable to the House and that is not acceptable to members.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I just want to make a couple of points.

I do not want to repeat the good points that were put, except to say that we all know that the order paper of the day for the House of Commons has a reserve on it that says: "subject to change without notice". However we are not talking about that. We are talking about orders of the day for committees, not several items but one item agreed upon unanimously by that committee which was, at the last moment, changed by the government members.

I want to make one comment, and a plea to government members. They are the ones that came to me on October 1, 2, and 3 and said,"We do not want any surprises in committee, we will play the game straight and forward". We agreed, among House leaders, that there would be no games played and nobody would be surprised. I put out a press release to my members, as I understood every member of the House was supposed to be advised by the House leaders and by the whips to the effect that meetings of committees were to be held for the sole purpose of hearing witnesses—and I remind government members that it was at their request that we did this—or for business pertaining to the hearing of witnesses, and that no other business be undertaken at the said meetings. Most committees have accepted that as a way of operating in good faith, and not the tyranny of

the majority that was imposed on the committee yesterday. That is wrong.

I say to the government, if it wants to operate under those circumstances, we can play the game also. But up to now I thought we were playing up front. We are playing square, we are playing honest games, and the government and its members are not playing good games at this time.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I do want to put a few comments on the record, because I think it is important that we lay the facts before you on this particular issue.

What I am told happened in this particular case is that the chairman of the committee at the last minute received a letter from the witness in question, Mr. Landers, which stated that he had a problem appearing on October 24, which was to be the next regularly scheduled meeting of the committee. He said he could not appear on that date because he was going to be out of the country, and requested another date.

The chairman brought that letter to the attention of the committee and asked that someone put a motion changing the date. A member of that committee, a member from the government side, put such a motion. He did not deny the right of Mr. Landers to come to the committee hearings. He did not say that he should not be a witness. In fact, the information I have is that they asked for a change in date, that Mr. Landers be allowed to come on October 30.

Anybody with any ounce of common sense understands that from time to time busy people have scheduling problems. When those people have scheduling problems we, as reasonable members of the House, and members of committees, have always tried to accommodate them. We have always tried to bend over backwards to make that a possibility.

So here we are faced with a situation where a witness in good faith sends a notice to the chairman saying he cannot make it on such and such a date, is it possible for a change. The committee decides to accommodate. What happened then is that the Liberals members of the committee decided that they did not want that motion put. In other words, they are going to insist that Mr. Landers come back from the States, interrupt whatever work he has to do, and appear on a date that is obviously inconvenient for him. I am told that what was done, in fact, was to try to accommodate the witness and to bring him in on October 30. That is part of the political side that I think has to be demonstrated here this morning, Mr. Speaker, because obviously that is not what is being expressed to you.

The other thing that I think is important is that this is clearly not an example of the government members trying to frustrate the work of the committee. That is not our intention at all. Our intention is to accommodate a witness, not to frustrate the committee. The committee has itself decided that it wants to look into certain aspects of Canada Post and Canada Post services, and that was agreed to by the government members. It is not their intention to frustrate that investigation in any way. So I think it is important that that be noted.

I noticed that my hon. friend, the whip on the opposition side said—and he used his words very carefully—"in some committees, in some cases there is consensus". Rightly so. We have asked on this side that wherever possible there not be motions that would be used to in any way surprise the committee, or disrupt the committee, or sidetrack the committee. But what we have here is a case of selective application of that principle.

I am told that there was an incident in the transport committee yesterday where in fact there was a surprise motion put that ended up with a bit of a donnybrook in the committee. Even though the committee had already agreed to a number of things, a surprise motion was put by a member of the opposition. So one has to be very careful, when one makes these arguments, that those arguments are on an equal footing and one is treating one side just as fairly as the other.

• (1030)

The other thing which deals more with the actual Standing Orders is that a member from the NDP has said that the order paper notice puts restrictions on the government. Mr. Speaker, you know full well that it does say, as my friend has pointed out, that it is a notice and that things may change, and obviously that is the case with which we have all worked.

The principles of the committees and the principles of reform that we were all looking for are that the committees be masters of their own destiny. That is essentially what we have been trying to work with. That is the kind of thing that I think is essential. Part is that it is absolutely necessary to treat our witnesses with some respect and to do our best to accommodate them when they have scheduling difficulties.

It is not a case of privilege, as I am sure you are well aware already. I think what we have is a political debate, a debate that, if all the facts were known, would change the tone of it considerably to say that we were simply trying to accommodate a witness.

Mr. Speaker: The hon. member for Burin—St. George's is rising. I happen to have some indication of what he wishes to say. I will, of course, hear him in a moment.

This may help hon. members. There are two issues in this application. One of them is procedural, and I intend to give it very careful consideration.

The other is a question of what happened at the committee and whether it should or should not have happened. The House knows, and it is the House's wish and has been for decades, that it is not the place of the Chair to interfere with what goes on in the committee.

The procedural point that has been raised by the hon. member for Glengarry-Prescott—Russell is that a notice went out which gave people an idea that certain things would be done, and something else was done. That is a procedural point. I am taking that procedural point and I will be considering it carefully. I do not intend to rule on it right now.

I say to the hon. member for Burin—St. George's, who is an experienced member of this House, because I do not know yet what he is going to say, that I would ask him to keep in mind that I am not going into the question of who said what and under what circumstances at that committee because the House, decades ago, made it quite clear that it does not want your Speaker to be doing that. I will hear the hon. member.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I intend to come to the procedural issue. I just want in passing to say to the Parliamentary Secretary that it did not really get bogged down on the issue of whether someone should come on a given date or not, in this case Mr. Don Lander. The real issue and our concern—and I believe the gentleman who raised this issue and I are the only two in this room who were actually at the meeting—was procedural. Our concern was in terms of the precedent it could set.

We saw the green piece of paper that my colleague has referred to as the "order paper". We saw it as embodying a decision of the committee, a steering committee, then adopted by the full committee, according to procedures laid down by the committee.

As an aside I submit, yes, the committee is the master of its destiny, but within the framework of the parameters of the House rules. It cannot go outside them. It is our point that, procedurally, the committee yesterday went well outside the parameters of the way the House operates. The House sets an order of business and can only change it by unanimous consent. No unanimous consent was sought yesterday.

There is another way. Either the chairman could have sought unanimous consent or could have very quickly convened a steering committee either before or after the other meeting. The mechanism is in place in that committee to take care of an emergency which apparently rose yesterday.

I point out, in closing, that it was not the emergency that it has been represented as here. While it happened kind of at the last minute—but not quite—there was time for a government member to have a typed motion when he arrived at the meeting. I submit to you, Sir, there was time for that. There was time to convene a quick steering committee and allow the thing to go forward as is normally the process. We saw it as an absence of some good faith. We think there was a better way. We are concerned in terms of the precedent it could set. If the government can change the order of business one day for a small matter, another day it can change it for a quite more substantial matter.

Mr. Speaker: The Hon. Parliamentary Secretary in reply.

Mr. Cooper: Mr. Speaker, I do not particularly wish to reply to the member. It is more in relationship to the comments you made after I had spoken. I just want to make one comment on your comments when you indicated that you wanted to consider the procedural aspects.

I want to say to you, Sir, that we as a government would welcome any ruling which would suggest that any motions to be placed on the Order Paper would not be placed there in any case by surprise, that there would always be adequate notice. We on this side would be more than happy to accept that principle, if that is the principle the opposition is arguing for. Certainly that is what I hear them arguing for.

Mr. Speaker: I think I have heard enough argument. The hon. Parliamentary Secretary, of course with some skill, put forward a proposition which is not altogether beyond the ken of the Speaker. I am quite aware that depending on the day it may suit one or another in this chamber to have things very clearly set out before a committee meets. However, I think I do have the procedural point. I think I also have the point of the Parliamentary Secretary. I shall be very careful before I wander too far down that path.

Just so that the public who, after all, has been listening to this, understands exactly what it is we are doing here, an application has been made on a question of privilege because the item for discussion that was set out on the notice to committee members was not the item that was dealt with.

The second matter that has been raised in the discussion is whether or not the head of Canada Post can ever appear in front of the committee. It has been, I think, made quite clear from the government side that whatever happened at the committee does not preclude that particular gentleman from coming before the committee. I think I have taken the Parliamentary Secretary's words appropriately. I do not want members to think that what has happened is that the head of Canada Post will never appear before the committee.

Mr. Boudria: We never said that.

Mr. Speaker: I think we have some assurance from the government side that the government does not intend to take a position that the chairman of Canada Post not appear before the committee. Even though that may not be the procedural matter we are discussing in this discussion, as far as it has gone, it is in the public interest to know what the government's position is on that particular point. I see the parliamentary secretary nodding that I have interpreted it correctly.

The point that I have to decide, and which I am going to look at, is a very interesting and intriguing one. The hon. member for Burin—St. George's put it clearly in summation, and the hon. member for Ottawa—Vanier and the hon. member for Glengarry—Prescott—Russell have argued the point. I will look at it carefully. The hon. parliamentary secretary, of course, has also put some of the implications of that argument to the House, and I will consider that.

I thank hon. members for their interventions.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

The House resumed from October 5, 1989, consideration of the motion of Mr. Mazankowski that Bill C-36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee; and the amendment of Mr. Foster (p. 4314).

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, as the member of Parliament for Cardigan and as a farmer who has benefited from the advance payments program, I welcome this opportunity to address the House on Bill C-36, an Act to amend the Advance Payments for Crops Act.

Since the onset of this thirty-first Parliament we have watched this government whittle away at agricultural programs, programs which Canadian farmers have been privileged to use.

The advance payments program is another in a long list of Tory cut-backs in agriculture. The assault continues and will force many farmers off their farms. This government has no compassion or sensitivity when it comes to axing agricultural programs.

• (1040)

The Advance Payments for Crops Act provides an incentive to producers to store certain agricultural products immediately after harvest so they can improve their farm income by marketing over an extended season. It gave producers a cash advance to help them to meet short term monetary commitments, an advance that was interest free. On Prince Edward Island alone the elimination of the interest free portion of this act means lending institutions will acquire at least $365,000 on the backs of Island farmers. This represents the amount of interest saved by a small agricultural based island, an island which is also part of this great nation. It is $365,000 which would go directly into our Island economy. This apparently does not matter to this government. The Island economy is very low on its list of priorities.

These savings represent approximately $3,000 per individual producer taking part in this program. It protects the producers from high interest rates. High interest rates are crippling agriculture in this country. There is no interest free money available to island producers. Banks continue to charge prime plus 1 or 2 per cent on operating loans which are needed so producers can feed this country.

Does this government feel comfortable knowing farmers are being pushed to the limit constantly? The elimination of the interest free aspect of the Advance Payments for Crops Act applied increased pressure on much needed cash flow. Farmers are finding it impossible to operate in a climate in which interest rates are so variable. Farmers are in a position of insecure income at the mercy of the market-place and the lending institutions.

In recent correspondence from the P.E.I. Potato Producers Association, the plight in the market-place was described well and I quote:

> Prior to the Advance Payments Program, farmers were forced to sell their crops soon after harvest in order to meet post harvest production costs.

By losing this free interest there will be increased pressure to dump product onto the market to reduce cash flow problems. There goes several of the stated advantages of the program, as taken from the advance payments for crops administrative manual, which include the following: Dumping products at harvest time is reduced; returns to producers are improved by letting them sell their product when market conditions are good and more orderly marketing of products is achieved.

This government does not seem to be aware that farm loans are considered high risk at lending institutions on Prince Edward Island. Small farmers cannot borrow 100 per cent of required operating money. It is ironic to think that the very people who are putting bread and butter on every table in this country are high risk. Think about it.

The Canadian agricultural industry is not based on luxury. Styles of food do not change with the whims of society. The agricultural industry in this country is based on a long-term debt, as are other industries, but the agricultural industry faces woes of short-term price fluctuations.

The interest free provision of this act could be read as a 100 per cent interest free subsidy program. Although a valuable asset to Canadian farmers, the word "subsidy" is not favourable under the free trade agreement. The orderly marketing of crops in Canada has been seriously jeopardized and, yes, sacrificed at the altar of the free trade agreement.

The market pressure created by the elimination of the interest free Advance Payments for Crops Act is flying in the face of what this government is preaching. You are saying that you want farmers to become more market oriented, more business oriented. This government is a living contradiction. The fact is that any forced increases in farm debt today will force more and more farmers into the Federal Debt Review Board. With the current reductions in every aspect of agriculture, any further reduction in federal programs is nothing short of increasing burden on producers of food.

The lack of priority given agriculture through cheap food policies and the lack of commitment this government has to the food industry becomes even more evident. To give farmers yet another option for guaranteed interest-bearing loans is but another Tory terror dropped on agriculture like a bomb.

Our interest rates continue to explode set by outside forces. This government is nailing the coffin shut slowly but surely.

During communications with the P.E.I. Grain Growers Co-op it was stated: "Eastern producers will have no impact when the giant of the west, the Canadian Wheat Board, was unsuccessful in having a western minister listen to their needs. We in the east, on this nation's great Atlantic shore appear to be shoveling fog in our attempts to be heard by this government."

These are the facts. There was no consultation with farmers. The program cut was scheduled. We were told to accept a program which is clearly second best.

The government admitted responsibility for the elimination of the tobacco industry, therefore, the Redux program. Maybe it should also accept the responsibility for the eventual elimination of the agricultural industry entirely.

By strangling farmers financially this government is pushing out the small, successful, proud family farms for which generations have operated across this country. What, in fact, does this government want, corporate farming? It certainly would seem to be where it is heading. Surely this government will change its agenda. I know the Canadian voters are sure to change it for them when the opportunity arises. Hopefully, by then, it will not be too late to salvage what is left in Canadian agriculture.

I plead with the government to reconsider and withdraw Bill C–36. Reinstate the interest–free aspect of the Advance Payments for Crops Act. Please put agriculture back in its proper place in this nation.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I rise in debate on Bill C–36 which is the second attempt by the government to make the interest free cash advance program disappear.

For years we have been listening to Conservative politicians praise themselves and pat themselves on the back for having introduced the concept of interest free cash advances. It was something that was suggested and demanded by farm organizations for many years in advance of that. But, in 1957, the government of John Diefenbaker introduced interest free cash advances in the west. Later on, the hon. Eugene Whelan who was the Minister of Agriculture introduced the same concept for the rest of Canada and for other commodities.

The system worked well. The government and the people of Canada got good money for their relatively small investment. Even now, when inflation and high interest rates have carried the cost of the program up, the Minister of Finance estimated that it would cost in the neighbourhood of only $27 million this year.

• (1050)

When one looks at the cost savings that were achieved from those cash advances, one can readily see that it was a very good investment on an annual basis. It took away the incentive for farmers to plug the elevator system and the transportation system in order to get money. By being able get a cash advance on the grain that was stored on their farms, farmers could pay their operating costs and continue to get through the winter. That is very important in a country like ours where the water transportation freezes up.

If you are a Manitoba farmer, once the Lakehead freezes in December no grain moves. Farmers cannot sell grain. They sit on it at their farms and yet, unfortunately, the expenses that those people have continue over the winter. They still have to eat. They still have to keep their buildings warm. They still have to make repairs to their equipment. The costs go on but there is no chance of income once winter sets in.

Similarly, in other areas of the country where different commodities are being raised, as in the fruit and vegetable area, lack of interest free cash advances will simply mean that they will return to the bad old days when they tended to deliver their produce early. When farmers deliver their produce early, they tend to depress the market. Because they depress the market they have to deliver even more produce in order to get the necessary dollars to pay their expenses, and before they are finished, instead of spreading the deliveries of things like rutabagas and turnips over 11 or 12 months, they are all out of product some time in February, March or early April, and the country has to depend on imports in order to make up the difference. So it is very costly for the country to do that. We think that for $27 million the continuation of an interest free cash advance makes ultimate sense.

In western Canada, in large part due to the interest free cash advance program the commercial elevator system was pared down. We did not need as much commercial storage if there was no incentive for farmers to get it into the commercial system. As long as they could keep their finances in order, they would store it at home. The farmer has already had to pay for storage at home. Most of the commercial elevator system in western Canada at least is co–operatively owned so the farmers own it twice. They were able to reduce their investment in the commercial system by some 40 per cent. If you look at the cost of building new elevators

now, and if you were going to return to the kind of storage capacity that the commercial system had back in 1957, that new investment would cost more in interest each year than what this $27 million annually is costing now, and thus we avoid the pressure on the market which keeps the price down.

I can understand why a newly formulated free market oriented Conservative Government like we have had in the last two governments would want to move in this direction. It fits with their philosophy. They want to do things that will assist their friends in the grain trade and that will permit them to get lower priced grain. The government loves to see the market under pressure and farmers being forced to dump their grain and to take less than the cost of production. They love that. I understand why their supporters are all for it. But the farmers are not too intrigued with this idea. They do not think that they should be paying interest on the cash advance. Not only are they opposed to paying interest on it for the reasons that I have outlined, but they look at their international competitive position and they say: "Things are not changing in the United States. If I lived across the line I would be able to have this kind of privilege. Why is our government taking it away from us?"

They look at the Europeans and find the same thing. Why is Canada taking the initiative in this area? Why is Canada doing apparently everything it can to see that agriculture prices are forced down by putting pressure on producers to deliver early and to deliver too much to the market?

Not only does it do that but, as I have said, the forced dumping in many cases with many products means that at the end of the season we are forced to import products as well, which costs the economy of the country. From an economic point of view it makes no sense at all.

The government's arguments have been a real lesson in the modern politics of the Conservative era. They did not tell anyone in the election that this was part of the election program. No one knew that once re-elected this government would take away interest free cash advances. It was not part of the mandate. It was never breathed during the election. The only things we heard from Conservative candidates, including the Prime Minister, were soothing comments about how when farmers need help the government would be behind them and would always be on the side of the farmer. Why have they abandoned them now?

Prior notice is extremely important in a seasonal business like agriculture where decisions have to be made almost a year in advance. There was no prior notice until the delayed budget of April 27, the first in the history of the country during a sitting Parliament where a government came in to present a budget after the old fiscal year had ended. Virtually all of the farmers had been to their banks to arrange their credit for the summer. Their banks had no idea that there would not be a cash advance program sitting there waiting for them in the fall. The banks looked at their situation and decided how much they would lend them for the summer based on the secure knowledge that there would be a cash advance system available in the fall and the bank would have its money back within six months. Then the budget came.

That did not scare anyone very much in the banking community because there was not any immediate action. In fact, it was three months later, on June 26, that the government and the Minister of Agriculture and Deputy Prime Minister introduced Bill C-32 which outlined the method whereby the government was going to introduce this policy. It became fairly clear at that stage that there would not be any interest free cash advances in the fall.

But the government did not pursue the bill. There were only two days debate in the House before it recessed for the summer. The government decided to make the recess one month longer than normal. When we did come back the new crop year for those in the Wheat Board area had been in effect since August 1, and here we were back in session at the end of September. At that point in time the government decided to withdraw C-32.

When news of that filtered out the day before it was to be withdrawn, there were cheers in the farm community saying that at last the government had good sense, they realized that they were wrong, they are going to listen to the many farm groups and the advisory committee of the Wheat Board, the NFU and so on—

Is it not a 20-minute speech, Mr. Speaker?

Mr. Deputy Speaker: I will have to cut you off in 30 seconds for Question Period. You may continue afterwards.

Mr. Althouse: They took heart. They thought that at last the government was withdrawing a bad bill and that they had succeeded in getting their message through to the government, as the senior citizens had done before them in stopping the deindexation of pensions many years before. I will continue my remarks after Question Period.

Mr. Deputy Speaker: It being eleven o'clock, we will proceed to statements by members with the hon. member for Elk Island.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

MANUFACTURERS' SALES TAX

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, some of the most important manufacturing industries in the province of Alberta are located in the riding of Elk Island. These industries provide tens of thousands of jobs in our riding.

• (1100)

The existing federal sales tax, the MST, is an unfair, unworkable tax on production. The MST is unfair because it results in more taxes on Canadian made goods than on goods from other countries. The MST is unworkable because it taxes some while allowing tax avoidance for others.

The Canadian government must take a leadership role in improving the tax system. Our government must prepare this country for the economic challenges of the future.

The MST is wrong for Elk Island. The MST is wrong for Canada. The MST must be replaced. Let us work together in this House to get rid of the MST. Let us work together to prepare our country for success in the competitive world of international trade. Let us work together to build a stronger economy for a better Canada.

* * *

CAPE BRETON ECONOMY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the economy in industrial Cape Breton and indeed all of Cape Breton is at an all time low.

This is coupled with the fact that the Nova Scotia Department of Industry, Trade and Commerce and the Atlantic Canada Opportunities Agency recently released a demographic forecast for all of Nova Scotia to the year 2006, which states: "The population forecast for Cape Breton County, which includes the seven towns and the City of Sydney contained therein, forecasts an average population decline of 936 per year for each year from 1986 to the year 2006."

This news coupled with the tragic economic situation in Cape Breton calls upon the Government of Canada to provide the kind of economic leadership that this region of Canada needs.

I have asked the minister responsible for the Cape Breton Development Corporation to give us a clear and unequivocal commitment to maintain the operations at the Lingan mine in Cape Breton. I have asked this minister to give us a clear commitment with regard to the promotion and the expansion of the Donkin coal mine, on which the Government of Canada has spent close to $80 million.

This is a time for the Government of Canada to intervene in the economy of Cape Breton in order to provide economic opportunities for those citizens.

* * *

ACID RAIN

Mr. Jim Fulton (Skeena): Mr. Speaker, the all-party Standing Committee on the Environment will travel to Washington, D.C. next week to encourage our colleagues in the U.S. Congress to strengthen their clean air legislation and resolve to reduce acid rain from U.S. sources.

The proposed cuts to sulphur dioxides are just barely in the ball park to help Canada. The proposals on nitrogen oxides are not helpful; the caps on emissions need firming up; reductions of transboundary flows of toxics need targets and timetables.

Canada also has much to do. New dirty coal fired plants are proposed in western Canada. Further actions are required in central Canada. New Brunswick and Nova Scotia have yet to bring in much needed regulations. To the great embarrassment of Canada, New Brunswick Power has been pushing for two new Columbian coal fired thermal plants without scrubbers at Belledune. The emissions from such plants are unacceptable to Canada, and as though by political witchcraft these plants are as of yesterday proposed to be fired by low sulphur oil or natural gas.

The environmental damage from acid rain is well over $1 billion per year in Canada, well over $5 billion per year in the United States. A cut of 10 million of sulphur oxides in the U.S. will cost $15 billion, a cost borne in just three years by the U.S. environment.

Canada had best get moving seriously on cleaning up our acid rain sources, existing and proposed, if we are to expect credibility in our fight to get the U.S. to do the same.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, once again the federal Government, through its Environment Minister, showed its leadership at the federal-provincial conference of Environment Ministers held this week in Charlottetown.

The federal Government agreed to invest $100 million in the clean-up of abandoned contaminated sites in this country. The provinces agreed to do their share by contributing $100 million to this project.

Mr. Speaker, when we talk about the number of abandoned contaminated sites in this country, Abitibi—Témiscamingue probably and unfortunately holds the record for the most sites in any given region. Governments must act responsibly in this case, and that is why I demand a fair share of this agreement for my region, so that we can deal with the serious environmental problems caused by mine tailings, a major source of pollution.

I therefore want to ask the MNAs for the Abitibi—Témiscamingue area for their support in this attempt to take advantage of the opportunity we now have to do something positive for our environment.

[*English*]

BILL C-21

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the government has ignored the vital expertise of the public service employees who deal every day with out of work Canadians.

The employees of Canada employment centres have called Bill C-21 an incompassionate piece of legislation, forcing them to play a more negative policing role and eroding trust between them and their clients.

They are the ones every day who face the desperation, frustration, and anger of the unemployed without adequate resources.

[*Translation*]

The employment sector in the Department of Employment and Immigration has suffered substantial attrition during the past five years as a result of Tory cut-backs.

[*English*]

The minister's sole excuse for the devastation she is foisting on the unemployed is more training, more help finding a job, more employment options, yet she has not provided for one additional employee to give these services.

What she has done is to provide in Bill C-21 for the contracting out of these services. Bill C-21 sets up the privatization of Canada employment centres.

The minister intends to pay for this with increased premiums and with the food and rent money she is taking out of the pockets of the unemployed.

* * *

[*Translation*]

THE ARTS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, last Sunday, October 15, Quebec's cultural industry paid tribute to its artists and performing artists at the 11th Adisq Gala.

Forty-five Felix trophies were given to outstanding members of our artistic and cultural community, including Drummondville's cultural centre and its director, Mr. Roland Janelle, who was awarded the title of "*Diffuseur de l'année*" in Quebec.

The Drummondville cultural centre is considered by the arts community as an outstanding institution with a sophisticated audience.

This award confirms the superiority of the Drummondville cultural centre in the kind of services it offers to artists, producers and the audience.

Congratulations are most certainly in order here, and we wish them well in all their future activities. In fact, I am very pleased that my government has supported a number of projects initiated by this organization for a number of years, for the benefit of the arts world in Quebec and the people of my riding.

* * *

[*English*]

LABOUR

Ms. Sheila Copps (Hamilton East): Mr. Speaker, it is a dark day in Canada for the labour movement when the Minister of Labour, who calls himself the Minister of Labour but is not interested in ordinary working people, gives notice that as of the end of this year there will be no further government funding possible for the Canada Centre for Occupational Health and Safety and when he fires the executive director and president who has been the basis and the foundation of that organization for the last 10 years.

I would like to ask the Minister of Labour about the Canada Centre for Occupational Health and Safety which provided information to the people of St. Basile le Grand.

[*Translation*]

When they had this problem with PCBs, where did they go for information? They went to the Canada Centre for Occupational Health and Safety.

[*English*]

Who is going to be able to speak to the workers who are injured in industrial accidents, who face explosions, who want to understand the basis for chemicals? Who is going to get information about the International Labour Organization? Who is going to get information from NIOSH?

The decision of this minister to assassinate the Canada Centre for Occupational Health and Safety may be a laughing matter for certain Conservatives across this country. It is not a laughing matter among working people, and we intend to pursue this issue with every last breath we have.

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EDUCATION

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, we are approaching the end of National Universities Week. Coming as I do from a province which possess several fine colleges and universities, both English and French institutions, I wish to express my respect for the immense contribution which they make to our society.

As other colleagues have noted throughout this week, higher education is more important today than ever before. The rapid growth of knowledge, particularly in the fields of science and technology, is presenting Canadians with ever more significant career challenges and opportunities. Universities do truly open doors to these opportunities.

While a university education is an important personal investment for a great many Canadians, support for universities is also an essential investment for governments at all levels on behalf of society. For example, the research being undertaken at Canadians universities is constantly helping us to address pressing concerns about our environment, health, and our capabilities to maintain the standards of living which we enjoy in the face of ever increasing foreign competition.

In this emerging world economy Canada's prosperity will depend on our ability to lead our competitors. That means Canadians will need to generate knowledge and use it creatively. To do that, Canada needs healthy and productive universities. Let us all commit to help keep them that way.

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• (1110)

ATOMIC ENERGY OF CANADA

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, in my riding today, as a matter of fact right at this very moment, the media are being briefed on a very special project piloted by Atomic Energy of Canada on the concept of deep underground disposal of used nuclear fuel from Canada's nuclear generating stations, none of which by the way are in my riding.

Earlier this week a representative of Atomic Energy of Canada came to my office and presented a series of very impressive and well designed documents, which I have in my hand, explaining this very project.

My staff was told that these media briefings are part of a normal procedure. However I would like to object to such procedures, given that an environmental task force has been set up to independently assess the same project, which by the way has not even started yet.

I find it objectionable that a government department is jumping the gun, so to speak, and has started its own lobbying at taxpayers' expense. I would hope that the Minister of the Environment would want these environmental assessments to be conducted in a fair and independent manner.

Mr. Speaker, you have already ruled on a similar advertising scheme; perhaps you would like to examine this one as well.

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TELECOMMUNICATIONS

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, the August Supreme Court decision in CN-CP against Alberta Government Tel clearly found that the CRTC had jurisdiction over all telephone companies which participate in Telecom Canada, including the three prairie telephone companies.

The Railway Act amendments proposed yesterday do not change services; they do not change rates or affect ownership. The amendments do what the court said had to be done, that is, provide a consistent national regulatory structure under the CRTC.

The Minister of Communications said yesterday that it was his objective to preserve universal access to basic services at affordable prices while taking into account regional differences. He also said that he would ensure that all Canadians, particularly those in rural areas, would have access to quality services.

Residents of the rural prairies will expect that the minister will fulfil his commitment in ways that are fair and equitable.

CANADA POST

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, on October 10, Canada Post has, by way of letter, informed members of Parliament serving the northern regions of Canada including the Northwest Territories that a whopping, senseless 32 per cent increase in postal rates will be implemented following the 30-day notification requirement.

Canada Post is hereby sacrificing the welfare of those living in remote areas for the sake of profit making. The letter states: "Canada Post Corporation operates a business and as such cannot assume the cost of operating in a revenue losing situation".

Canada is a very large country, and each and every one of its citizens deserves equal treatment and has the right to a decent livelihood ensured by services such as Canada Post. It is clearly abandoning natives and northern residents.

Is it the government's intention to cut its deficit on the backs of those who can least afford it? What are you trying to do to the northern residents of Ontario and of northern Canada?

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NATURAL GAS

Mr. Doug Fee (Red Deer): Mr. Speaker, last Friday I was privileged to represent the government and participate in the official opening of the Schrader Creek compressor station owned and operated by the gas transmission division of Nova Corporation of Alberta. This station located in the Caroline area operates on three major pipelines delivering clean burning, efficient natural gas to market.

Nova has been recognized as a good corporate citizen and a good employer throughout Alberta. This station incorporates the latest in technology to improve efficiency of operation, safety for employees and the environment around the plant.

Nova is to be commended for making this investment in its employees health and safety and congratulated for its confidence in the economy of this country which is going to make this investment a very practical one for them and for the country.

MEMBER OF PARLIAMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, the recent trip to South Africa by the Conservative member of Parliament for Portage—Interlake must be condemned by all members of this House. This embarrassing incident is nothing new for the member for Portage—Interlake, and unfortunately nothing new for the Conservative party.

The Prime Minister, while trying to project an image as a world statesman and a leader of the fight to abolish apartheid, has work to do within his own caucus.

When asked about this trip with regards to government policy, the member for Portage—Interlake said that he did not agree with all the actions taken. By going to South Africa he has ignored the government position on tourism. By spending money in South Africa he has ignored the economic sanctions the government applauds. By going to the game farms in South Africa for his own pleasure he has relegated basic human rights to only a minor consideration.

The member for Portage—Interlake owes the government, the House, and Canada an apology.

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CANADA–U.S. EXTRADITION TREATY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, Charles Ng has been in Canada for over four years, despite the fact that he is wanted for a series of brutal murders in California.

Ng's lawyers have managed to prevent his extradition through a series of appeals, all of which have been rejected, including the latest appeal to the Supreme Court of Canada.

It is time to send Ng back. I urge the Minister of Justice to use the Canada–U.S. Extradition Treaty to return Ng to face justice in California.

We simply cannot allow this country to become a haven for fugitives from justice.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

SOUTH AFRICA

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is for the Acting Prime Minister. On the subject of South Africa the Prime Minister is quoted yesterday as saying that he wants to bring South Africa to its senses, not to its knees.

This, and the series of weak-kneed statements on the part of our Prime Minister on the subject of South African sanctions, has been alarming to all Canadians and those abroad who care about dismantling apartheid in South Africa.

The South African government's announcement of the international bank agreement easing debt repayment heightens the alarm.

What is more important to our government—diplomatic compromising with Margaret Thatcher or dismantling apartheid in South Africa?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I believe that yesterday I was very clear about the intentions of the Government of Canada, and we will continue to exert pressure on South Africa until apartheid is dismantled. That is our main position.

As for the debt rescheduling to which the hon. member referred, I can inform her that we have always tried to obtain the severest possible conditions. Perhaps I may point out to the hon. member that the measures announced yesterday in this new package provided for only three and half years, as opposed to Pretoria's request for 10 years, and although in most cases where a debt is rescheduled, countries get new capital, South Africa did not.

Furthermore, although a country usually only has to pay the interest, not the principal, South Africa must pay 20.5 per cent of the principal, in addition to the interest. In this connection, Mr. Speaker, I would like to mention that the Union Bank of Switzerland, a member of the rescheduling committee, described the agreement as rather harsh and said it was the most they could obtain. We will keep exerting pressure on South Africa, until apartheid is dismantled.

[*English*]

Mrs. Stewart: Mr. Speaker, an amazing comment which appears to be condoning the lessening of South African debt burden.

On September 28, the Secretary of State for External Affairs said that 12 of the 14 major banks co-ordinating South Africa's debt "agreed that they would be seeking the highest possible interest payments and the fastest possible repayments", a tough line but empty rhetoric given yesterday's announcement.

What will Canada do to press Canadian and international banks to increase pressure on South Africa's dismantling of apartheid? Or, is this government prepared to simply sit idly by and take no responsibility?

[*Translation*]

Mrs. Landry: Mr. Speaker, you will recall that the Secretary of State for External Affairs asked the banks not to approve new loans for South Africa, and this request was upheld. In the present case, there are no Canadian banks on the committee. The committee has rescheduled the debt, and Canadian banks are part of the package. We will continue to ask the banks to do what they have already done, which is to approve no new loans for South Africa, and we will keep up the pressure.

• (1120)

[*English*]

Mrs. Stewart: Mr. Speaker, interesting comments from this government when yesterday the Australian Prime Minister, Mr. Hawke, stated that he regretted the bank's decision and the Zambian President, Mr. Kaunda, condemned the banks and stated: "They are sucking the blood out of black South Africans' economy". A Canadian official yesterday is quoted as saying that the South African Bank rescheduling of debt represents "a propaganda victory for South Africa".

This is the wrong signal that we are giving. Will this government immediately announce increased Canadian sanctions against South Africa to ensure that the pressure is maintained?

[*Translation*]

Mrs. Landry: Mr. Speaker, I would like to refer to an article by Albert Juneau that appeared this morning in *Le Devoir*, and I quote:

> The Commonwealth countries have agreed to maintain current sanctions. Their effectiveness is no longer questioned—

The article goes on to say:

> Canada's position was therefore reasonable: no new sanctions, except for stricter credit requirements. From now on, the main issue in South Africa is political. The time is ripe for a dialogue between the various components of South Africa's mosaic. Pretoria must initiate negotiations with anti-apartheid groups. The banks have given it some breathing space. Will South Africa take this opportunity to implement reforms that are already long overdue?

Mr. Speaker, we have taken the necessary steps. We will go on doing so by reinforcing sanctions, and of course we hope that negotiations will finally achieve our ultimate goal, which is to dismantle apartheid.

* * *

[*English*]

NATIONAL ENERGY BOARD

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources.

Yesterday, the National Energy Board approved the export to the United States of over 90 per cent of Canada's Arctic natural gas reserves. This comes at a time when concerns about the environment will likely increase greatly the demand for natural gas, which is considered a cleaner fuel than oil.

Will the minister tell this House whether his department has conducted a study of Canada's long-term natural gas needs, particularly in the context of natural gas being seen as an environmentally safe fuel?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, in respect of the National Energy Board approval of the export licence, the first point that I want to make to the hon. member is that any approval of the board is still subject to cabinet scrutiny.

I would say to the hon. member that while she makes the point about gas being a clean burning fuel, the government has programs in places like Vancouver, Alberta, Winnipeg, Toronto, New York, Hamilton and San Diego, where we are using Canadian technology to have cleaner burning methods for mass transit systems. Those who are interested in the environment might even think that that is important. We do, but maybe the critic for the environment does not.

Second, I say to the hon. member that while the 9.2 trillion cubic feet has been approved, the Canadian Geological Society of Canada places the estimated reserves in the Beaufort at 56 trillion, which is about six times more than the approval on the gas export licence which the NEB gave yesterday.

Mrs. Callbeck: Mr. Speaker, those are potential figures. The fact is that the board itself has admitted that it does not know what effect this increased concern for the environment will have on gas demand. In fact one of the authors of the report that was issued yesterday said that it may well be true that gas demand could increase substantially as Canadians look for cleaner fuels.

The minister has just said that cabinet has to approve this decision, and I know that. I want to ask the minister: Will he refuse to approve this National Energy Board decision until a study has been conducted so that Canadians are confident their energy future is not being exported to the United States?

Mr. Epp: The National Energy Board in any of the approvals that it grants examines the ongoing needs as well as projected needs of Canadians for natural gas.

I gave the hon. member figures from the Geological Society on the Beaufort. There is another point that has to be made. If one looks at the period of the National Energy Program one finds very quickly that gas in the ground when kept does not increase our supply, does not increase our explorations, and does not increase the ability of Canadians to bring more gas on stream.

I believe that the market-place is the best place to do it. I believe that the National Energy Board is well positioned to balance interests for Canadian gas usage and gas consumption as well as gas reserves, along with the economic needs of Canadians.

The hon. member has to remember that in the 1970s when the Berger commission was formed, Mr. Berger himself said there should be a 10-year moratorium on two issues primarily, one being land claims. If one takes a look at the COPE agreement which was completed and the statement of principles with the Dene-Métis which has until 1991 to conclude, one will find that the very people who went before the National Energy Board on request for approval for a gas export licence were native people, native leaders.

They are now cabinet ministers in the Northwest Territories. They are looking at the economic advantages. They are looking at their future. They do not want to be any more dependent than any of us.

I say to the hon. member that the best way to bring on more gas is to allow the market-place to get out to find gas, to keep reserves there for Canadians, and to maintain the economic benefits that come from it.

* * *

CANADA-U.S. FREE TRADE AGREEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in the absence of the Prime Minister who I well understand, as the House does, is away on official business, I have a question for the Deputy Prime Minister concerning the government's obvious, deliberate plan to mislead the people of this country about the impact of the trade deal on them.

Since the Prime Minister, in the House on October 10, refused to provide me with an assessment of the job impact of the trade deal and since the minister of trade, on June 20 last in the House, indicated the government was monitoring the impact of the trade deal, I want to ask the Deputy Prime Minister: Does the government have some kind of an assessment of the job impact and, if so, will it table it in the House now so that everyone can see what it is?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I want to thank the leader of the New Democratic Party for the question, because it will give us an opportunity to explain what the article in *The Toronto Star* was referring to.

The document is merely a collection of media clippings from various newspapers which announced plant openings, expansion of employment in this country, and so on. It is not an official document or an official analysis. The Minister for International Trade, recently in this House, made it very clear that he would hope that he would be able to make a report sometime next year after the free trade agreement had been in place for about a year. It is a little early to assess the benefits of the free trade agreement at this time.

Mr. Broadbent: Mr. Speaker, I have a supplementary question for the minister. The same minister that he is referring to, namely, the Minister for International Trade, did not hesitate to use the list that he has just referred to, prepared by his officials, in the House on June 20 when he talked and boasted about jobs that had been created by Alcan Aluminium, Cargill, Novacor Chemicals, and others.

He did not mention, as he could have, other companies on the same list that had shut down operations and were putting new investments in the U.S. In short, it was a very selective report from the list to the House of Commons.

The minister has refused and the Deputy Prime Minister didn't answer. What I asked for was a list. I have a copy of the list that the minister himself was using. I want the minister to acknowledge now that when the Minister for International Trade last June was quoting from it he was doing it on a very selective basis by giving only good news and not providing the bad news. When is this government going to be honest and direct with the people of Canada about what is going on in this country?

• (1130)

Mr. McDermid: Mr. Speaker, it is interesting to listen to the leader of the New Democratic Party talk about selectivity because if anybody preaches bad news around this country it is the leader of the New Democratic Party who selects very carefully some cases.

I can give the hon. leader some cases in my community where plants have rationalized and closed down because of the free trade agreement, but I can also give examples of plants that have opened up in my community because of the free trade agreement.

Mr. Broadbent: Do it!

Mr. McDermid: As a matter of fact, I just opened a plant the other day in Etobicoke, called Kodak Canada, a brand new chemical plant for recycled plastic bottles, and I can tell you it is there because of the free trade agreement. it didn't move to the United States.

Mr. Broadbent: Mr. Speaker, the minister just revealed what we want. We want the government to produce the studies. He has accused us of providing bad news. What we ask for is an honest objective assessment with the pluses and negatives. That is what we want from the government.

The minister of trade promised on the twentieth that the government would be monitoring. According to some, about 57,000 jobs have been lost because of the trade deal. Since the people of Canada have a right to know, will the minister now produce the list, the copy of which I have, and any other documentation that the government has so that the people of Canada can understand in an honest and clear way what is happening with this deal. We just want the truth from this government.

Mr. McDermid: This government is very straight forward. If he is honest with the house, the hon. member will know that during the free trade debate discussions took place regarding rationalization of industries and so on. There are pluses and minuses and we said that at the time. He has to admit that. He has just said yes, so he admits that. There were pluses and minuses. The hon. member stands up in the House and preaches minuses every day.

I can tell the hon. member that the proof is in the pudding. There have been 158,000 new jobs created this year already. That is a plus. That shows that the free trade agreement is working.

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PRESENCE IN GALLERY

Mr. Deputy Speaker: I wish to draw to the members' attention the presence in the gallery of Her Royal Highness Infanta Cristina of Spain.

Some Hon. Members: Hear, hear!

* * *

ACCESS TO INFORMATION

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, on August 15, 1984, during the election campaign in Kingston, Ontario, the Prime Minister, then the Leader of the Opposition, said this: "If the Canadian people see fit to give us their trust we will always give them ours." He went on: "That means an end to the obsession with secrecy."

Today the Minister of Finance is refusing to disclose documents which his own deputy minister recommends be made public. Why is the minister refusing to comply with the laws of this country and why is he violating the undertaking that his own Prime Minister gave to the Canadian people?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are going to be making documents available, but there are some documents that are clearly advice to the minister which will not be made available. I think that is—

Some Hon. Members: Why?

Mr. Wilson (Etobicoke Centre): The hon. members ask why. Because there is an element of the Access to Information Act which requires that if there are documents that are advice to ministers, that should be retained as confidential advice and should not be made available according to the Access to Information Act. I said in the House that we would be making available information that the applicant was entitled to under the Access to Information Act, and that information will be made available.

Mr. Milliken: Mr. Speaker, the facts seem to be that the minister is refusing to disclose 530 pages of information that his own officials gathered in response to this request, and he says that that is all advice to the minister. It is easy to cover this up in this way. I suggest to the minister that in accordance with the Prime Minister's undertaking to the people, he has an obligation to, in the Prime Minister's words, "end this obsession with secrecy".

How can the minister justify this stonewalling in his own department? Is it because he misled Canadians during the election campaign?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the answer to that is clearly no. There is a long-standing tradition that information that is advice to the minister has to be kept confidential under the Access to Information Act. If advice to ministers is not kept confidential, then that flow of advice from the officials to the minister will be broken. Clearly it is in the interest of parliamentary government not to have that flow of information broken, which is clearly advice from the deputy minister, from the department to the minister.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, this is incredible. The budget forecast documents requested by *The Ottawa Citizen* were pulled together in five days by the Department of Finance. Ninety-seven days later the Minister of Finance rose in this House and said, "It has taken a while to pull this information together".

I want an explanation from the minister. Is it not because release of the documents will show that indeed the Prime Minister and the Minister of Finance misled Canadians in the last election?

Hon. Michael Wilson (Minister of Finance): No, Mr. Speaker, that is not the reason. We have made it very clear that through the activities and the actions that this government has taken, department by department, we are complying with the Access to Information Act. If the hon. member checks the record of the Department of Finance, I think he will find that the record of providing that information is good. What we are doing today is consistent with what we have done over the past five years, and it is completely in accordance with the Access to Information Act.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I checked the statements made by the Prime Minister and the Minister of Finance, and I would like to read one of them. During the 1988 campaign, Prime Minister Mulroney said his Government had taken care of the deficit, that all promises made by the Conservatives were and would be within Michael Wilson's financial limits and that everything had been calculated down to the last cent. If the Prime Minister and the Minister of Finance were telling the truth during the election campaign, why do they now refuse to release documents that would show whether Canadians got a frank and open response to their questions from this Government?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, we have provided information on a range of things over the course of our experience in government that demonstrates we are providing documentation that is,"frank and open", to use the member's words.

I have commented on a number of occasions about the particular matter that was raised during the election campaign. I commented on that during the election campaign, and after the election campaign.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is in the same area. As the House knows, the minister promised to provide this information back on October 10. We now know that yesterday the minister overruled the advice given to him by his own deputy minister, Mr. Fred Gorbet. We also know that he has

overruled the request of Inger Hansen, the information commissioner.

Can the minister explain to the House today his personal reason for not complying with the request of the information commissioner? What is his personal reason for overruling his own officials and the deputy minister of finance? Did the Minister of Finance indeed practise electoral fraud against the people of Canada during the last election campaign?

• (1140)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, could the hon. member repeat that question?

Mr. Nystrom: Mr. Speaker, I want to know the personal reason why the Minister of Finance has chosen not to release the budget forecast and the forecast on the deficit and interest rates that were made by the Ministry of Finance back in the fall and summer of 1988.

I want to know why he has overridden his own deputy minister of finance, why he overruled Inger Hansen, the information officer? Why does he not have faith in his own officials when they provided him with this information back on August 30? Why did he not release that information? What is the personal reason for that? Did he, indeed, practise electoral fraud against the people of Canada back in 1988?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think that is quite uncalled for language. I will not comment specifically on that, but I reject it totally. He asked what the personal reason. There is no personal reason. The reason we are not providing this information is that it was advice to the minister provided by the officials of the department.

The decision that we have taken here is completely in accord with the letter and the intent and the spirit of the Access to Information Act.

Mr. Nystrom: Mr. Speaker, the minister said that "we have not decided to release the information". What I want to know is why he decided not to release the information. The information was given to him by his own deputy minister, by his own access to information people in his own department.

I want to know why he does not have faith in the judgment of his own deputy minister, faith in the judgment of his people who work in his own department in access to information. I want to know why he made the decision, not we, but why he made the decision not to come clean and give us that budget forecasting information from 1988.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me state quite categorically that I have full faith in the advice of my deputy minister, Mr. Gorbet. If the hon. member wants me to insert "I" for every time that I used "we" when I was referring to the decision, I am happy to do so.

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COMMUNICATIONS

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Communications. It concerns the proposed amendments to the Railway Act which would have the CRTC solely regulate the telecommunications industry.

Can he respond to the concerns expressed by the Government of Saskatchewan that certain services now provided by Sask-Tel could be significantly more costly if Sask-Tel, in fact, comes under the regulatory jurisdiction of the CRTC?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I appreciate the question and the opportunity to clarify the intent of the amendments to the Railway Act.

These were called for as a result of the August 14 decisi1on of the Supreme Court of Canada. I can assure the hon. member that the amendments which flow to clear up jurisdictional confusion in the situation and to establish the federal regulatory authority in no way affect the structure, the rates or the autonomy of the prairie telephone companies. Indeed, it is my understanding that there have been discussions as recently as this morning between the Government of Canada and Pre-

mier Devine. Those assurances have been given and there will be continuing consultations while this bill is before the House.

* * *

[*Translation*]

EMPLOYMENT

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, my question is directed to the Minister of Finance.

Since the beginning of the year, businesses in Montreal have published 85 notices of permanent collective lay–offs, resulting in the loss of about 6,000 jobs in Montreal. Yesterday, we asked a number of questions about the loss of 200 jobs in Montreal at Eastern Airlines, while this month, Domtar announced the loss of 500 jobs and VIA Rail the loss of 900 jobs.

Is the government now prepared to listen to Montreal's workers and implement a special program to replace these lost jobs? What does the Government intend to do?

Hon. Jean Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I think the Hon. Member for Notre–Dame–de–Grâce has a very selective memory, because if he took the time to calculate the number of jobs created in the Montreal region between September 1984 and September 1989, he might realize, to his surprise, that 160,000 jobs were created on Montreal Island since our government came to power. We can even do better than that, Mr. Speaker, because if the Hon. Member would take the trouble to compare the results under this government with the results under a Liberal government of which he was a member, he would realize that under his government, Montreal Island lost 4,000 jobs. That is the difference between a liberal government and a conservative government!

[*English*]

Mr. Allmand: Mr. Speaker, so far this year, 6,000 lay–offs have been announced at Montreal. These include Gillette, 590; Weston, 360; Kraft, 290; Warnaco, 140; Simpson's, 1,100; Marconi, 300; Geoffrion–Leclerc, 300; Northern Telecom, 250; Hostess, Frito–Lay, 110; Rothman's, 239; Vickers, 380; M.A.N. Ashton, 215; Unisys, 230; Domtar, 500; VIA Rail, 913; Eastern Airlines, 200 jobs. When will the government stop its rhetoric and give us some action?

Mr. Charest: Mr. Speaker, speaking of rhetoric, the member for Notre–Dame–de–Grâce knows full well that under this government, on the Island of Montreal we created 160,000 jobs which compares fairly well to the fact that under the last Liberal government 4,000 jobs were lost. The unemployment rate on the Island of Montreal in Quebec went from 11.3 per cent to 8 per cent.

I noticed also on the list of things that have happened on the Island of Montreal that the hon. member seems to have forgotten a few things, starting with Bill C–22 which this government put through. What about the investment in Canadair that created 2,500 jobs? What about the space agency? What about the Liberal government's memory? The Liberals have know better than to get up and give us a sermon about the Island of Montreal.

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AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Deputy Prime Minister and the Minister of Agriculture. It concerns the yoghurt and ice cream decision. Last week Robert Wright, the Canadian representative at the GATT negotiations in Geneva, said that the decision on yogurt and ice cream was so narrow that he could not see how the dairy supply–management system could continue to operate and that Canada was being asked to abandon its system. Those are devastating words coming from the Canadian representative at the GATT negotiations.

I wonder if the Minister of Agriculture can make a commitment today to Canadian dairy farmers right across the country, which will have an implication for other supply–management systems and marketing boards in this country, that the government will oppose this decision by the GATT panel and will refuse to implement it.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the hon. member is absolutely right, this is a very narrow decision and that is precisely why this government, before the MTN negotiations, has taken the position that Article 11 has to be strengthened, clarified and brought into line with the realities of the 21st century. The fact of the matter is the wording that was developed in 1947 leaves open interpretations that allow these kinds of decisions to come forth.

We started that process, and the opposition has condemned us for it. It has condemned us for dealing with Article 11 in order to strengthen and clarify it. It accused us in that process of undermining Article 11, when, in fact, we are trying to clarify and strengthen it.

We have taken a very clear position in consultation with the dairy industry and with the provinces to fight this particular interpretation. We are soliciting the support of other council member countries, and as the hon. member knows, the meeting where this issue will be considered by the GATT council has been delayed pending further study and implication of this very important issue. My sense is that we are getting support from other council members. I would hope that we have the support of the hon. member.

As I said in the House yesterday, this government stands firmly committed to the principles of supply management and Article 11 is one of the keystones of maintaining supply management. We stand in full support of it in the GATT and we stood in full support of it in the free trade agreement.

• (1150)

Mr. Foster: Mr. Speaker, what I asked the minister was whether the government would refuse to accept this decision by the GATT panel and refuse to implement it. I wish the minister would respond simply to that question. We ask that specifically because the former Minister of Agriculture went around the country telling Canadian farmers that by simply transferring yoghurt and ice cream from the tariff list to the import control list he would protect the underpinnings of supply management. We know that to be a fraud.

Would the minister simply answer these two questions? Will he refuse to implement this and will he oppose it? And will he admit that the former Minister of Agriculture and the government, last year during the free trade debate, actually deliberately misled the Canadian people and Canadian dairy farmers?

Mr. Deputy Speaker: I think we will strike out the last part of that statement.

Mr. Mazankowski: I find it strange, Mr. Speaker, that when there is a GATT decision that is unfavourable to Canada these guys run for cover when most of the time they believe that you can get your protection from GATT. This is a GATT decision. This is a GATT panel decision and the hon. member should recognize that. We have several options available. I am not going to disclose our strategy on the floor of the House because it would impair our position in defending the best interests of Canada when this deal is dealt with before the GATT council.

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SOUTH AFRICA

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, we have had quite a week as far as Canada's international reputation is concerned as it relates to South Africa. We have seen the Prime Minister boasting of Canada's leading role in fighting apartheid. The rescheduling of the South African debt makes a hollow mockery of that. The Canadian NGO community in Canada told the government what was going to happen. We have no leverage in regard to financial sanctions.

My question is to the Deputy Prime Minister. Who is determining Canadian foreign policy; the bankers in the boardrooms or the Canadian government?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I think this Government has shown that its anti-apartheid policy is very clear-cut and very effective.

As stated by the Prime Minister or the Secretary of State for External Affairs at the Commonwealth Conference, we will continue to exert the pressure on South Africa through our current sanctions, to ensure that the present government will ultimately have to change its position.

As for financial sanctions, as I explained earlier the package was negotiated by 14 banks which imposed conditions that were much stricter than before, and we will continue to initate measures with a view to dismantling apartheid.

[*English*]

Ms. Hunter: Mr. Speaker, the minister, in an answer to the previous question on this matter, admitted that South Africa now has a breathing space. What I want to know is, will the government wipe the egg off its face and immediately impose comprehensive, mandatory sanctions against South Africa?

[*Translation*]

Mrs. Landry: Mr. Speaker, I already explained that sanctions had achieved certain results, and everyone acknowledges this. I mentioned this earlier when I quoted a newspaper article.

We shall continue to strengthen and intensify our sanctions as planned, and of course we do hope, since there have been initial overtures, that the governement of South Africa will back down and initiate negotiations with the anti-apartheid movements.

* * *

[*English*]

PROPOSED GOODS AND SERVICES TAX

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, my question is for the Minister of Finance. Alberta is the only province in Canada that does not have a provincial sales tax. Although we do have a federal sales tax, it is presently included in the price of our goods. Alberta business and consumers alike are not comfortable with an add-on sales tax. When we change to the GST, will the federal tax be included in the selling price as it is now, or will it be added on at the cash register?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the hon. member has pointed out, the GST is a very visible tax, quite contrary to the manufacturers' sales tax which is buried in the price of everything we buy today. We have proposed as a model presentation that the tax be included in the price of a product on the shelf, but that the tax be broken out at the cash register so that when the consumer is making a budgeting decision he knows not only the price on the shelf but the amount of tax when he goes to pay the final price at the cash register.

* * *

INDUSTRY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of Industry. As the minister will know, the Wonder Bra textile factory in Hawkesbury, Ontario, in my riding announced yesterday that it was shutting its doors, putting 100 people out of work in a community of 10,000. That is about the same as losing 10,000 jobs in Montreal or Toronto, proportionately. This will not likely feature in the minister's book of free trade success stories.

What is the government going to do for my constituents of Hawkesbury, who are losing their jobs, most of them held by women, on this cold rainy fall day? What is he going to do to assist them?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, in terms of the last part of that question we have a very good system of support programs for people. Every year in Canada 3 million people change jobs, for lay-offs, for various reasons, and the support systems are there to make that possible.

But in terms of this particular plant, the company in question, Candella has four plants in Canada. It is closing its Hawkesbury plant on February 19, 1990. The 86 employees affected will be laid off but 86 new jobs will be added to the Matane plant. They are consolidating in Matane. The total number of jobs with this company in Canada will remain the same. There will be a consolidation.

Mr. Boudria: Mr. Speaker, that resettlement policy will not impress my constituents.

[*Translation*]

Mr. Speaker, on November 10, 1987, Investment Canada allowed Wonder Bra to take over its main competitor, Daisy Fresh Creations. Less than two years later, the plants are closing. Why did the government allow Investment Canada to eliminate the competition and make my constituents lose their jobs?

[*English*]

Mr. Andre: Mr. Speaker, Investment Canada's responsibilities refer to Canada as a whole, not just Hawkesbury. As I pointed out, in this instance there is no loss of jobs to Canada as a whole.

I understand the hon. member's concern for his constituency, and quite properly he is expressing concern for his constituents. But surely he is not suggesting that the Government of Canada should intervene and say no to this company, you cannot open up 86 new jobs in Matane, you must retain them in Hawkesbury because your member of Parliament demands it. Surely he is not asking that.

NATIONAL DISEASE CONTROL LABORATORY

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, in the absence of the Minister of National Health and Welfare, my question is for the Deputy Prime Minister. The decision to locate the National Disease Control Laboratory in Winnipeg has been badly handled right from the beginning. In fact, without being unkind, I could say that it has been botched.

On July 19, 1989, the Minister of Energy, Mines and Resources indicated that the laboratory would be situated at a site near the mint. On September 29 I received a letter from the Minister of National Health and Welfare indicating that the site had not yet been selected. On October 13 I received a letter from the same minister indicating that the site location would be the mint. On October 20, the Minister of Energy, Mines and Resources indicated that that location could be changed again in Winnipeg. What is going on here? Could we get some clear, concise accurate information with regard to how this is going to handled? Where is it going to be located?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I can understand the hon. member's disappointment in the fact that under his Liberal government no lab was put into Winnipeg, but under this government and under the leadership of the Minister of Energy, Mines and Resources this initiative has been put forth.

All I can is that I know the provincial government officials have recently voiced some concern with municipal officials about the location of the site. When the final decision is made it will be announced. The only thing that the government wanted to indicate is that if officials, either at the provincial or municipal level, would show some concern and voice some opinion on where the site should be located, the government would obviously listen to them. That is all that this is about.

• (1200)

Mr. Duhamel: Mr. Speaker, I had indicated that I had a letter from the Minister of National Health and Welfare that stated that a decision had been taken. Now this minister tells me that it has not been taken. I really do wonder now whether or not they know what they are doing.

[*Translation*]

My supplementary is directed to the same Minister. Will the initial announcement of an investment of over $90 million be maintained by this Government? And if the Government intends to scale down its investment, could it perhaps tell us what the new amount, the new figures will be?

Mr. Charest: Mr. Speaker, I can only repeat in French what I told the Hon. Member in English, namely that our Government is delighted to be able to support the plan for a laboratory in Winnipeg, which is being spearheaded by my colleague, the Minister of Energy, Mines and Resources, who has defended this project with considerable zeal. There have been speculations and discussions, and various opinions have been expressed regarding the location of the laboratory, which is not surprising, Mr. Speaker. Every time the federal Government initiates a project of this scope, we have the same problem. What we are seeing in Winnipeg is not unusual. In any case, the government has expressed its intention to announce its decision as soon as possible. Meanwhile, if provincial or municipal authorities have anything to say, let them say it! We are ready to listen.

* * *

[*English*]

NATIONAL ENERGY BOARD

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources.

The entire history of Canadian wealth is one of exploitation of natural resources seized from the aboriginal peoples who first lived here. Those aboriginal peoples have never been fully or even fairly compensated. We now have one last major chance to get it right.

Because the NEB decision on Arctic gas brushes aside the request of the Dene–Métis Negotiations Secretariat to withhold approval until their land claims are fully settled, and because that decision rejects the request of virtually all northern peoples for specific training and employment programs as a condition of the export licences, will the minister advise the Governor in Council to suspend the NEB decision until these conditions are met and until the wishes of all the territorial aboriginal peoples are fully taken into account and honoured?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. member reads the decision of the NEB, he will note that the NEB makes reference to the land claims of the Métis and the Dene people. It refers to the statement of principles which was signed by this government and which is being handled by the Minister of Indian Affairs and Northern Development. Negotiations are going forward and there is a time frame up to 1991 to settle.

As well, the NEB points out very clearly that if a pipeline application is heard, one of the conditions that will be examined will be the matter of training and the socioeconomic impact that a potential pipeline might have.

In fact, if the hon. member goes back to the Berger commission, which I am sure he supported, he will find that the Berger commission said that there should be a 10-year moratorium. There has already been a 12-year moratorium. Second, the Berger commission said that there should be land claim settlements wherever possible.

Through the Committee for Original Peoples Entitlement, COPE, that agreement was done. There was a statement of principles with the Dene and Métis people. The point, I think, is this. It is the very native people who are now in government in the Northwest Territories who 10 years ago when we were in office opposed any development because of the land claims not being settled and are now the proponents of the application. I say to the hon. member, listen to them, respect them and follow some of the vision they have for their area of the country.

Mr. Harvey (Edmonton East): In truth, Mr. Speaker, the Inuvialuit are in support of the pipeline proposal. The Dene-Métis are, at this point, in opposition because their claim has not been settled. If I may remind the hon. minister what it was Mr. Justice Berger said, and I quote from page 196 of his volume 1:

> In my judgment, we must settle the native claims before we build the Mackenzie Valley pipeline. Such a settlement will not be simply the signing of an agreement, after which pipeline construction can then immediately proceed. Intrinsic to the settlement of native land claims is the establishment of new institutions and programs that will form the basis for native self-determination.

Again I ask, will the minister ask his colleagues in cabinet to suspend the NEB decision until these conditions are met?

Mr. Epp: Mr. Speaker, obviously I am not going to convince the hon. member of the validity of the process but I think Canadians are reasonable people. First, what we have to keep in mind is what the NEB approved yesterday was an export licence. Second, what is now to take place are hearings on a pipeline, if in fact the applications go forward. As part of that pipeline hearing, the first gas that could flow would be in 1996. The statement of principle with the Dene and Métis is for 1991. I think 1991 is prior to 1996, and I would suggest to him that part of the conditions of any pipeline approval, if given, would be one relating to training, one relating to socioeconomic realities, one relating to environmental questions and a whole host of them relating to economic questions.

I ask the hon. member, are you for the development of the lives of the people of the north or is it only rhetoric and are you using it only for political purposes?

Mr. Deputy Speaker: The Chair has received notice of a point of order from the Hon. Member for Oshawa.

* * *

POINT OF ORDER

REQUEST TO TABLE DOCUMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I rise on a point of order. Earlier in Question Period I made reference to a document that had been prepared in the office of the Minister for International Trade, a document that has been prepared there and circulated to the Secretary of State for External Affairs among other ministries.

I am asking for unanimous consent of the House so that I may table this document.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent.

ROUTINE PROCEEDINGS

[*Translation*]

OFFICE OF THE SUPERINTENDENT OF FINANCIAL INSTITUTIONS

TABLING OF ANNUAL REPORT

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I have the honour of tabling, in both official languages, the annual report of the Office of the Superintendant of Financial Institutions for the year 1989. I hope the information it contains will useful to all members, the general public and of course all financial institutions subject to federal regulations.

* * *

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I have the honour to table in both official languages the government's response to four petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

COMMITTEES OF THE HOUSE

[*Translation*]

BILL C-12—REPORT OF THE LEGISLATIVE COMMITTEE

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I have the honour of tabling, in both official languages, the report of the Legislative Committee on Bill C-12, an act respecting museums, with amendments.

[*Editor's note: See today's Votes and Proceedings.*]

* * *

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Mr. Tom Wappel (Scarborough West) moved for leave to introduce Bill C-267, an Act to amend the Criminal Code.

Mr. Deputy Speaker: Shall the hon. member have leave to introduce the bill?

Some Hon. Members: Agreed.

Mr. Wappel: Mr. Speaker, this bill addresses the government's lack of action to protect the unborn child. In Canada last year alone, over 60,000 unborn children lost their lives due to the legislative void that was created when the Supreme Court of Canada struck down section 251 of the Criminal Code and thus issued a challenge to Parliament to carry out its duty to protect all Canadians, in or out of the womb.

This bill will include the definition of human being in the Criminal Code, a definition which will specifically include a human foetus or embryo. Thus, the killing of a human being would extend to the killing of unborn Canadians. With the long overdue recognition of the unborn as a human being, this bill will also repeal the provisions relating to infanticide which clearly provide for different types of killing of human beings based on age distinctions only.

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

Ms. Black: Mr. Speaker, I rise to bring a point of order to your attention. I wish to raise with you some concerns and questions that I have about the admissibility of this bill and two other bills which are already on the Order Paper awaiting introduction.

• (1210)

As a new member of the House, I do not pretend to have all the expertise on parliamentary procedure, but it is my understanding, and it has been my personal experience, that no two similar private members' items can be brought on to the Order Paper. Standing Order 86(5) charges the Chair with the responsibility for determining whether two or more items are so similar as to be substantially the same and for ensuring that the second and subsequent similar items never appear on the Notice Paper.

We already have in this House two very similar anti-choice bills which have been introduced. They have been given first reading and now are awaiting selection in the draw. I wonder, if the House should give this bill first reading, whether we might not have three bills which seek the same ends, which would initiate the same debate and which, if successful, would do exactly the same thing to Canadian women.

I do not know the details of this proposed bill but my question is whether it contains the elements which make Bill C-266, standing in the name of the hon. member for Lambton—Middlesex so similar to Bill C-261, standing in the name of the hon. member for York South—Weston. These two bills, C-266 and C-261, I think, have the identical effect. They both seek to recriminalize abortion. They seek to imprison for life anyone who performs an abortion. They seek to send any woman who has an abortion to jail for two years. They give only one valid reason for abortion and that is to save the life of the pregnant woman.

I do not want you, Mr. Speaker, or the House, to misunderstand my purpose in raising the question of the similarity of these bills. I do not want to see a curtailment in the ability of members to introduce measures, but I do want to ensure that the rules of the House are not being broken or are not being over- generously interpreted in order to allow a large number of near identical bills to be introduced, bills which seek to curtail the rights of Canadian women.

Mr. Wappel: Mr. Speaker, I rise on the same point of order. My hon. colleague has raised Standing Order 86(5) and I wish to point out that a review of the bills in question would indicate that they do not bear the type of similarity that is shown in subsection (5); that is to say, to be substantially the same.

The bill that I am moving today deals with a number of issues, including putting in a brand new definition of the words, human being, the entity human being, and it also deals with various provisions of the Criminal Code which are not dealt with in the two bills that are already presented for first reading, including the repeal of the word "infanticide" and of the various Criminal Code offences dealing with infanticide. The bill is not in any way substantially the same as the other two.

Mr. Deputy Speaker: I thank the member for Scarborough West for his comments and I thank the member for New Westminster—Burnaby. The point raised by the member for New Westminster—Burnaby is a serious matter. I will therefore reserve on this matter.

Just for the benefit of the member for Scarborough West who brought up the bill, I do not intend to rule on this matter today.

PETITIONS

RIGHTS OF THE UNBORN

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I rise today to present petitions on behalf of several hundred people residing in the province of British Columbia who humbly pray and call upon Parliament to formulate and legislate a law to protect life from conception, a law which seeks to save the life of both mother and child. Indeed, it is my pleasure and duty to present this on their behalf.

OCCUPATIONAL HEALTH AND SAFETY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am presenting the first of several thousand petitions that we intend to present to save the lives of Canadian workers, specifically with the retention of full funding for the Canada Centre for Occupational Health and Safety. Whereas the human and financial costs of accidents in the workplace are a substantial drain on the resources of Canadian society as 16 million work days were lost in 1987 alone as a result of work related accidents and illnesses, for which $14 billion was spent in compensation, we the undersigned humbly pray and call upon Parliament to reinforce the national mandate of the Canadian Centre for Occupational Health and Safety by urging the government, if it truly is a government for labour and for management, to rescind all cuts and restore full funding to the centre and, by doing so, I might add, to save lives. If the saving of workers' lives are important to this government, then, for God's sake, let it restore full funding for the Canadian Centre for Occupational Health and Safety.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I have the honour and duty, pursuant to Standing Order 36, to present to this House a petition which, as my colleague, the member for Hamilton East has already declared—a petition signed, in this particular case, by over 50 residents of Hamilton and area—is just the first of thousands to come through the clerk of petitions.

It is a petition that calls on this House to reinstate and reinforce the national mandate of the Canadian Centre for Occupational Health and Safety by urging the government to rescind all cuts and restore full funding to the centre and to pledge ongoing funding for a centre, a Canadian centre, a national centre of international reputation, one based on trust between government, business and labour.

Petitions

PROPOSED GOODS AND SERVICES TAX

Mr. Stan Keyes (Hamilton West):I also have a petition, pursuant to Standing Order 36, certified by the clerk of petitions, with over 150 signatures from residents of Hamilton West and area that calls on this government to reject the proposed goods and services tax.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a petition that I would like to table with the House concerning the goods and services tax, signed by several Canadians who oppose the present plan to impose a sales tax on goods and services. They would like Parliament to reject the proposed goods and services tax.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have a series of petitions here from constituents in my riding of Mackenzie which calls upon the government to reject the current proposals for a goods and services tax, reform the tax system so that there is an effective minimum tax on wealthy individuals and corporations, to ensure that if and when there is broad public consensus on a sales tax measure by the federal government to replace the manufacturers' sales tax, that this reform not be just used as an opportunity for the government to impose a massive tax grab. Therefore, they call on the government to withdraw this proposal.

PROPOSED NATO TRAINING CENTRE

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I have a petition signed by some 50 or 55 residents of Toronto, Westmount, Montreal, Lasalle and Dunham who are concerned about the action of the Canadian government regarding Goose Bay in Labrador.

They urge this Parliament to join with the Assembly of First Nations and the Innu people of Labrador and other aboriginal peoples of Canada in opposing the use of their lands for NATO and NORAD attack training. They demand an end to these low level training flights in Canada and an end to the proposal to bring a NATO base to Goose Bay and that the money now being spent to promote this should be redirected to improving the lives of the aboriginal peoples of Canada and promoting sustainable development.

[*Translation*]

OPPOSITION TO PROPOSED GOODS AND SERVICES TAX

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I also have a petition signed by my constituents in Gatineau—La Lièvre who object to the proposed goods and services tax. Your petitioners said it was unfair and premature to introduce the tax without first implementing a full reform of the Income Tax Act. The new tax is definitely unacceptable to all Canadians.

THE ROYAL CANADIAN MOUNTED POLICE

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I have the honour of presenting a petition on behalf of the people of the province of Ontario, concerning the dress uniform of the Mounties, the Royal Canadian Mounted Police.

[*English*]

The undersigned 4,700 petitioners across Ontario and Carleton—Gloucester humbly pray and call upon Parliament to preserve the distinctive heritage and tradition of the RCMP by retaining the uniformity of dress code with all the recognizable colour and trappings that have such great historical value to this country. The pride and *esprit de corps* should not be jeopardized by changes to this truly great police force and its proud traditions and uniform.

• (1220)

PROPOSED GOODS AND SERVICES TAX

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a petition which I wish to present on behalf of several dozen constituents in Thessalon, Ontario, which is protesting the government's goods and services tax. They point out that the government has already increased the manufacturers' sales tax from 9 per cent to 13.5 per cent. The goods and services tax will have an adverse impact on practically everything Canadians buy. It will be especially hard on low income Canadians and that it will be especially harmful to small business.

I am pleased to present this petition on behalf of my constituents in Thessalon, Ontario.

OLD AGE SECURITY

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am pleased to present this petition on behalf of the senior citizens in Ottawa West who insist on speaking to their government, even if it insists on not listening. They are objecting most strenuously to the clawback of old age security and family allowance and the extreme hardship it will work and will continue to work on seniors and on families in our country.

VIA RAIL

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am pleased to present a petition that comes from communities across Ontario expressing concern about the impact on the tourism industry and on Canadians of the cuts to VIA Rail, and asking that the government not continue with these cuts.

PROPOSED GOODS AND SERVICES TAX

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have the honour and the privilege to present to this House a number of petitions with respect to the goods and services tax, this brutal tax that is about to be imposed upon Canadians, this anti-family, anti-children tax.

[*Translation*]

I present this petition in accordance with the Standing Orders of the House. This is a bad tax, and the reactions of Canadians have been very negative.

[*English*]

VIA RAIL

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am pleased to stand this morning, pursuant to Standing Order 36, to present petitions, 52 from the Belleville and Tweed area of Ontario, and 60 from the Brockville area of Ontario, which are opposed to the government's measures to cut back on VIA Rail across this country. The petitioners are very concerned about the loss of thousands of jobs. They feel that a proper analysis has not been done, where a disproportionate subsidy is required for highway infrastructure or airports, as opposed to VIA Rail. These petitioners humbly pray and call upon Parliament to urge the Government of Canada not to cancel, in whole or in part, rail passenger services in Canada.

FISHERIES

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I rise, pursuant to Standing Order 36, to present a number of petitions. The first petition relates to the outrage felt by people in my riding, both on the Saanich Peninsula and on the Gulf Islands, to the horror of drift-net fishing that is occurring in the north Pacific. As my colleague from Nanaimo—Cowichan says these drift-nets are curtains of death. Over 500 people in my constituency alone have signed this petition. They call upon the government to act. We should be putting prohibitive tariffs and duties against the countries that engage in this practice.

PROPOSED GOODS AND SERVICES TAX

Ms. Lynn Hunter (Saanich—Gulf Islands): The second petition I want to present is related to the goods and services tax and is signed by nearly 1,000 people in my riding of Saanich—Gulf Islands, to let the government know of their outrage and distress at this measure. It also talks about their awareness that this is really a device with which to shift the tax burden to ordinary Canadians through a regressive consumptive tax. The petition calls on the government to engage in real tax reform.

OLD AGE SECURITY

Ms. Lynn Hunter (Saanich—Gulf Islands): The third petition I would like to present relates to the clawback of old age pensions. This petition is once again signed by over 500 of my constituents, many of whom are senior citizens who know that in spite of the smoke and mirrors engaged in by this government regarding high income pensioners, we know that the reality is that this is an assault on the universality of social programs.

I am pleased to present these petitions and I will alert the House to the fact that there will be plenty more coming from Saanich—Gulf Islands.

PROPOSED GOODS AND SERVICES TAX

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, it is my pleasure and honour to present to the House a petition executed on behalf of residents of the constituency of Scarborough—Rouge River. The petition has been certified correct and the petitioners call upon the government to reject the proposed goods and services tax for the reason that it will cause undue hardship to low and middle-income Canadians, cause higher inflation and higher interest rates.

VIA RAIL

Mr. Jim Peterson (Willowdale): Mr. Speaker, I rise to present to this House a petition dealing with the cutting off of VIA Rail service. What is most regrettable, as I rise to present this petition, is that the government, because of its majority and it arrogance, will not listen, but through this petition the people of Canada are speaking out loud and clear. The people who in the regions are affected most adversely by these cuts, which are insensitive and have no basis in economic reality. I am pleased to present this petition to this House from the people of Belleville.

PROPOSED GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to present a petition in conformity with Standing Order 36, signed by 37 residents of the riding of Kingston and the Islands who object most vigorously to the government's proposed goods and services tax and call upon Parliament to reject this nasty and vicious piece of legislation.

OCCUPATIONAL HEALTH AND SAFETY

Mr. George Proud (Hillsborough): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition on behalf of numerous people asking this government to rescind all cuts to funding to the Canada Centre for Occupational Health and Safety, to restore full funding and to pledge ongoing funding.

PROPOSED GOODS AND SERVICES TAX

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I have the pleasure to present petitions from my riding of Northumberland. These petitions are signed by residents from towns such as Campbellford, Trenton, Port Hope, Cavan and Cobourg. These people are very concerned about the government's proposed goods and services tax legislation. These are not wealthy people with discretionary income funds that they can decide how they want to spend. Many of these signatures represent farmers and small business people who feel that the imposition of the proposed goods and services tax will be their ruination.

VIA RAIL

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I rise again today to present even more petitions from people of my constituency of Prince Edward—Hastings on the government's unrealistic cuts to VIA Rail, requesting the government to rescind those cuts and to take a more realistic look at passenger travel service in Canada.

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Deputy Speaker: Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C–36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be now read the second time and referred to a legislative committee; and the amendment of Mr. Foster (p. 4275).

Mr. Vic Althouse (Mackenzie): Mr. Speaker, when we interrupted the debate to go to Question Period, I was just beginning to point out to the House how long we had waited for the government's initiative on this proposal to take away the interest free portions of cash advances. I was outlining the history of it, how there had been no mention of the government's desire to remove the interest free aspect of cash advances either during the election campaign or in the House. It came as a great surprise during the much delayed budget, and as a result, neither lenders nor borrowers on the farm were aware that this would happen until after their arrangements for the season had been made.

• (1230)

I felt that that was a very good set of circumstances on which to argue that the government should continue with the interest free cash advances. The law exists now. It is there. The only thing stopping interest free cash advances from being in the hands of farmers today is intransigence of the government. It is simply refusing to implement the law that is the law of the land at this moment.

We heard, during the course of this debate and many times before, that the government party, the Conservative Party of Canada, is the party that cares most for farmers and for rural communities. That began to break down a bit during the last election and it lost a lot of its support in rural areas, but it still keeps mouthing the words even though the facts are much to the contrary.

The Minister of Agriculture, during the campaign, said several times that he was going to have a drought program that would put $40 an acre into farmers' pockets. Of course that did not happen. After the campaign was over the cheques did not arrive at that level.

That is one of the reasons why farmers are now very strapped for cash and are finding it very difficult to see how they are going to operate without an interest free cash advance. Aside from the marketing problems, the storage problems and the on-farm finance problems, it creates a lot of problems for farm communities. Many suppliers were depending on receiving their payments for fertilizer and parts and chemical weed sprays in the fall when the interest free cash advance was taken out. Those people are sitting without money. Their creditors, their banks, are leaning on them too. They are saying, "Where is the money? You said it would be here in the fall when the farmers pay". So it has a real ripple effect.

We heard the Minister of Agriculture, the Deputy Prime Minister, saying today in Question Period a number of times, "this government is firmly behind supply management" in response to questions from the opposition. If this government were firmly behind supply management, I cash advance program because the management of the supplies of fruit, vegetable and grains cannot take place logically without having those advances in place in order to be competitive against the Americans and the Europeans.

Later on in Question Period, we heard from the Minister of Finance saying that it has always been government policy, and the action of this government follows through, according to him, to make decisions that will permit Canadians to make their own budgeting decisions. And yet this was the Minister of Finance who did not even present a Budget on time. He presented it late. That was the first time in the history of Canada, during the course of a Parliament, that the government has done this. The country ran on Governor General's warrants for a month. There was no reason for it except that the minister did not been some indication of what the government's intention was, but the government delayed until farmers were into seeding already and had already made their borrowing arrangements with the banks.

The decision that we are left with is one, if the government carries it through, that will be as disastrous for rural communities as was the proposal to deindex senior citizens' pensions. The government understood the pain that it was inflicting on seniors when it was conveyed to the Prime Minister in person by a little lady outside the doors of this House who stood on a box so she could be face to face with him and told him that he had lied to the senior citizens of the country when he said that the social programs were a sacred trust. By deindexing pensions he was taking money out of pensioners' pockets each year.

By taking away interest free cash advances, the government is taking money out of the pockets of the farmers of this country. It is forcing their products onto the market-place and forcing them to take a lower price than would be normal. It is forcing suppliers of farm goods and commodities at the community level to wait for their payments, and it is inflicting a good deal of pain on rural Canada because of this policy.

Oh yes, it is a good policy for the banks. The banks are going to get a little more money from interest because the rate will be slightly higher than what the Wheat Board was able to borrow the money at.

It will be good for the international grain companies because they buy supplies in Canada at a lower rate because farmers will always be forced into dumping product on the market at a lower price than they would if they could put it on in an orderly fashion under a system of marketing that takes into account the supplies in the market and allows farmers to manage those supplies, which is the whole idea behind supply management. It is bad for farmers and it is bad for rural communities but it is good for the government's friends, the banks; and it is good for the government's friends, the international grain traders.

We have not heard anything yet from the Tory premiers who I thought would have been raising a ruckus about this particular initiative by the government since it is only a few months ago that the government said that the biggest problem facing the provinces and constituents was high interest rates. Where is the first minister of Saskatchewan who is also agriculture minister? Have we heard from him about what these new interest rates will do to his farm community and farm constituents? He has been very quiet. Yet he was the same guy who led the charge on behalf of the premiers some months ago trying to get the federal government to reduce interest rates because it was harmful to the economies of the various

regions of this country. Now he has disappeared. He is no longer fighting for the farmer. He has decided to stand aside and let the banks and the international grain companies have their way. It is too bad.

This is an important change in the way the government conducts the business of this country. It was an extremely important initiative when Prime Minister John Diefenbaker introduced it back in 1957. It did tremendous good for rural Canada and improved and streamlined the grain handling system of this country. To take it away now can only do irreparable harm. I think that this bill should be dropped. We are fighting it in the House. When it goes to committee, we will be hearing from the farm organizations which will continue to fight. The government has to be stopped on this particular piece of legislation.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, it is a real pleasure for me to stand in this House today on behalf of the people of Haldimand—Norfolk and to talk about Bill C-36 which is an act to amend the Advanced Payments for Crops Act and the Prairie Grain Advance Payments Act.

Today we are witnessing the dismantling and demise of just one more program by this government; one more agricultural program that farmers throughout Canada have enjoyed.

Haldimand—Norfolk is an area which is rich in farmland, an area where we have a number of tobacco farmers about which I have stood up in the House on many occasions and spoken. The tobacco farmers are one of the key farming groups that have always used this program. Quite frankly, when I was back in the riding last week, a number of them came to me. They were very shocked about the treatment they have been getting from this government, especially since during the last election the part-time minister of agriculture came into my riding and indicated to tobacco farmers that, yes, the government would support them, that the government was committed to farming.

In fact, he went on to say that the government was committed to supply management and to all of farming. On the free trade deal, the minister said that agriculture would be protected, that our markets in the United States would be protected. We have seen that those markets have not been protected. This bill is just another indication that the government is not committed to farming, that the government is committing itself to budget deficit reduction on the backs of Canadian farmers and on the backs of those people who are least able to afford to pay.

• (1240)

In the past, this program has provided farmers with interest-free government loans up to $30,000 on their storable crops, repayable when the crop was sold. This program has ensured that producers can obtain cash in advance from lenders, knowing that they will receive payments for their crops at some later date. In other words, up until now the government was putting its financial strength behind the farmer, a sign that it really and truly believed in agriculture in Canada. Well, we saw what happened after the last election. As I pointed out earlier, we have seen that there are a number of different programs on which this government has broken its promise.

The government is now proposing to amend the act and remove the interest-free provision, while maintaining the loan guarantee. It estimates that by eliminating the interest subsidy there will be a saving of approximately $27 million in each of the years 1989-90 and 1990-91. This is a minor amount to this government. The government has indicated that it does not feel that this part of the program is essential.

It is coming to the stage where this government feels very little is essential any more, especially in the area of farming. Whereas the Canadian Government used to help its farmers, it is now apparent the trend is to throw them to the wolves; let them take care of themselves.

In this instance the government has not totally gutted the program, it has simply taken away a key aspect of the program, and in the end the government is making it unaffordable and inaccessible to most farmers. I think this shows the government's commitment to farming, the government's understanding of farming, and it shows, by the lack of any minister of the Crown within this House, that the government does not really care. This has become a common practice for the government and I feel that it is unacceptable.

Look at how the government decreased by $6 million the funding for assistance to the tobacco industry. As I said, it pulled money out of the tobacco industry, and this after the Minister of Agriculture came into my riding and promised tobacco farmers that he would support them.

Similar cuts were made in funding for crop insurance, branch line rehabilitation, dairy export subsidies, the Canadian Dairy Commission, and the AT and East Grain and Flour Subsidy Program. These have all been cut by this government, all vital programs for farmers, programs that farmers expected.

This government chips away at programs until they are no longer viable or economically accessible. Then the government blames farmers for not using the program. It says, "It is no longer needed. Farmers no longer use it". Well this, Mr. Speaker, is after the government has completely gutted the whole basis of the program. Then when farmers do not use the program because it is not worth their while, Well, that is sneaky. I call that dishonest.

Now to go back to the elimination of the interest-free portion of the advance payments program, what is the purpose of the program? Well, it serves as a bridge to farmers who experience cash flow problems while waiting for the opportunity to market their products in an orderly fashion. Coming from Ontario, I am interested in how this proposed legislation will affect our farmers. I have asked farmers throughout Ontario, and it has been estimated by the Ontario Federation of Agriculture that this measure alone will cost Ontario farmers $3.3 million in the current crop year. This will be felt mostly by corn producers, tobacco producers and soybean producers.

The Ontario figures for the crop year of 1987-88 show that almost $100 million in cash advances to farmers could be affected by this change. How will it affect other sectors? Tobacco, soybean and corn producers account for 98 per cent of all advances. Tobacco producers alone receive $52 million. So, as you can see, this is no small amount for farmers in my area.

As indicated previously, the valued interest benefit to Ontario farmers was more than $3.3 million. The breakdown by sectors shows that tobacco and corn farmers each received approximately 34 per cent of the interest benefit. Soybean producers receive 27 per cent of the interest benefit. Without a doubt, this program has been beneficial to farming in Ontario.

Naturally, you would think that a responsible government on the other side would keep the program and that a responsible government would consult with farmers prior to making changes to the program. Well, this did not happen. Without consulting, without even asking farmers how it would affect them, without even studying how it would affect farmers, the government has brought in changes to this program which will adversely affect their way of life.

This government does not believe in consultation or seeking advice from different interested parties prior to bringing in legislation. We have seen this in other areas, especially in the areas of VIA Rail cuts and clawbacks to senior citizens. Where was the government's commitment to talk to the people prior to bringing in any legislation?

On VIA Rail it makes the cuts and then it says it will have a royal commission on them. As you very well know, that is not the proper way of dealing with major changes to government policy. Quite frankly, the Canadian people are not prepared to take it.

These are not little organizations that are being affected. The Ontario Corn Producers Association represents over 25,000 Ontario corn producers. I would like to briefly outline why they oppose the changes to this program. The program has proven to be a major benefit in shifting corn sales from the autumn until later in the marketing year, thereby reducing the extent of export sales in autumn and shortage-induced imports during the later months. The net result has been financial benefits to producers, domestic users and commercial elevator operators; total benefits which far exceed the cost to the government.

The advance payments program has also been of great benefit to growers who store their soybeans on the farm at harvest and market them at premium prices throughout the marketing year to domestic processors and into the value-added export and domestic markets for seed, feed and food uses.

These organizations and many others believe that the elimination of interest-free provisions would effectively destroy the program. While the federal guarantee under this program would allow them to borrow money at or slightly below prime, administration charges would mean an effective cost to producers well above the prime. In other words, it is completely useless to them. In the end it will cost them more to borrow money than had they just gone out on the regular market to borrow it. There is no advantage over the commercial sources of credit. It still might prove attractive to those who are high credit risks, but this is not the purpose of the program.

At a time when trade is a major issue another benefit is that the Advanced Payments for Crops Act is not trade distorting. The Minister of Agriculture can go to our American friends and say that this is not a trade distorting measure. It does not stimulate production, but rather encourages orderly marketing. Just like the rest of our marketing boards, this program encourages orderly marketing. Without it there will not be that same advantage that we have in the orderly marketing of our commerce.

This government should also remember that the GATT Geneva Accord of early April obliges Canada to freeze existing support programs. It did not tell us to reduce them, it told us to freeze existing programs. What does this do for the Canadian government when it wants to go back to GATT and negotiate? It has already given away everything. There is no way that anything is left to negotiate with. As you can see, the reduction of this program gives the Canadian government a number of problems in its negotiating stance. It is particularly important to note that there is no offsetting reduction for the 1989-90 crop year in the U.S. loan program, the American equivalent to this program for grains and oilseeds.

• (1250)

Again, the Canadian government is giving away in this free trade environment while the Americans are doing nothing. They are not reducing their program, which puts our farmers at a competitive disadvantage with the Americans. That is wrong, Mr. Speaker.

Furthermore, this government seems to have forgotten that the Canadian grain and oilseed producers are already contributing their share to national debt reduction. In fact, I would say more than their fair share.

The numerous other cuts that have taken place in agricultural programs under this government have shown that Canadian farmers are doing more than their fair share in deficit reduction. Why is this government bringing in changes to a program which concerns a minimal amount of money and which means so much to Canadian farmers? Why is it picking on Canadian farmers? Why is it picking on those who least can defend themselves?

Several other sectors of the agricultural economy, like domestic processors, also benefit from the APCA. Extending the marketing season from harvest to the entire year benefits domestic processors who rely on a supply of soybeans 12 months a year. This allows them to have that supply 12 months a year. Soybeans stored in commercial elevators under the APCA generate additional storage revenue for the elevator.

Again, this is an orderly way of marketing. The APCA provides an incentive for growers to produce seed for seed companies. Since the seed is not delivered and sold until the next spring seed growers can obtain cash for the unsold seed through the APCA.

Ontario has developed a market in the far east for food quality soybeans. To meet the demands of the market, the soybeans must be segregated from other varieties and shipped on a regular basis throughout the year. Exporters do not have the ability to store a large number of small lots of high quality soybeans and rely on the farmer to store the product on the farm. The APCA helps growers producing for this market opportunity by providing cash at harvest so that the delivery period to the exporter can be extended.

Farm storage is another way to better take advantage of the market opportunities which do exist. Many producers who use the APCA also build storage for the soybeans on their farms. In this way the APCA indirectly helps companies who build these storage facilities. Without this, we are going to see a number of jobs lost in that area. As in so many other cases, this government likes to change the rules in the middle of the game. This is not fair. It is dishonest and a breach of trust between the Canadian government and Canadian farmers, and this agriculture minister knows that.

During the coming year farm organizations can consult with the federal government to develop acceptable alternatives to the current Advance Payments for Crops Act. The main concern is very simple. Canadian farmers' finances are already stretched to the limit. Farm organizations are saying that with all the other increases that

have been required to bear by this government, that evern one penny more is too much.

Canadian farmers have borne too much of the cost of this government's deficit reduction. It is time that this government stood up and committed itself to helping Canadian farmers.

In conclusion, we have asked this minister and this government to bring in a new bill, to bring it at a later date so as to take effect in the new crop year and allow producers to voice their concerns and their suggestions. The minister has recently announced a national agri-food policy conference to take place in December. He says that he wants to work closely with the provinces, the farm organizations and others to plan and implement an improved policy framework.

Let me suggest to you, Mr. Speaker, that this is an ideal opportunity for this minister to put his words into action. Consult with the farming groups, listen to what they have to say and change this program which adversely affects all Canadian farmers and all Canadians.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Carleton—Gloucester (Mr. Bellemare), on questions or comments.

Mr. Bellemare: Mr. Speaker, I would like to congratulate the Hon. Member on his excellent speech. He showed the kind of sensitivity that the Minister of Agriculture seems to lack. His knowledge of the subject is exceptional. He has demonstrated his wholehearted support for Canada's farmers, and I would like to ask him how the Minister could communicate and establish a certain dialogue with the farming community in order to get some input.

[*English*]

Mr. Speller: Mr. Speaker, I thank my colleague for that question.

It is not too hard for the Minister of Agriculture to go into the rural areas and speak to the farmers. There are all kinds of different farming groups that have come out against this bill. He did not have to bring out the bill. He could have consulted first with the different farming groups. He could have said that they have to do some deficit reduction and asked where it would best fit in, instead of cutting a program which costs very little in terms of the global budget. It costs $27 million, but that $27 million does a great amount for tobacco farmers, corn farmers, soybean farmers and farmers in all of Canada. The value you get for that $27 million is worth everything to farmers.

I thank my hon. friend for the question. The minister could have consulted with farmers prior to bringing in this program. Instead, just like the rest of the government ministers, it seems that he brings in the program, brings in the changes, makes the adverse effects and then says: "Oh, well maybe now we will consult". That is not the way to do it. I am sure that is not the way this side of the House would work.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I rise today to address Bill C-36, not as an agricultural expert by any means, but as somebody who is very concerned about the implications of the bill and the impact that it will have on farmers, not only in my riding of Northumberland but across the country.

To me this bill represents a sleazy way in which our government is continuing to get rid of agricultural support for farmers and is failing again to provide the necessary support to a very vital industry in our country. I think it is necessary to have an understanding of just what this bill is addressing, and to do that you have to look at the program as it was before. I think that bringing in revised provisions to this act at this time is very poor judgment on the part of our government.

The intent of the bill is to help farmers to store product, to have an orderly marketing process for their products allowing them favourable prices for their products over an extended period of time. The government brought in this bill two days before the House recessed in June and then reintroduced it in September for debate after farmers had actually started to bring their crops in off the field and to store them, assuming that this act was in place, as it should have been by tradition, to support them. It then withdrew the bill because it realized that it was so flawed, and reintroduced it again. The bill that we are debating right now should be referring, if it is to be debated, to government action for next year, not the current year.

• (1300)

The funding that is presently available under the existing act should not be held up because we are debating this bill today.

"The Advance Payments for Crops Act is designed to assist producers of storable crops across Canada to market their product in an orderly way". These are quotes from our own government papers.

"The act provides for interest-free advance payments for storable crops other than wheat, oats, barley grown within the Canadian Wheat Board's designated area. The program guarantees bank loans to qualified producers, marketing organizations and pays the interest thereon. This allows farmers to store their crops rather than market them at a time when supplies are plentiful and prices depressed. Administrative costs are to be borne by the producer organizations".

The definition of the Prairie Grain Advance Payments Act is as follows: "The government makes interest-free cash advances to farmers for storing certain grains on their farms before delivery to the Canadian Wheat Board. The advance is set according to a prescribed formula and the farmer is responsible for paying off the debt after the grain is delivered. The cash advance program is of importance when grain elevators are full and no storage is available. It has been used in exceptional circumstances, such as the postponement of grain harvesting from fall to spring because of adverse weather conditions, the drying of damp grain or when there are transportation problems".

I think these descriptions bring up a few of the criteria that I feel are most important and worthy of discussion in this proposed bill. The most important aspect, perhaps, is the elimination of the interest-free provision under the act.

According to the proposed revision there is no advantage whatsoever, as has been said by other colleagues in the House, to farmers having this program. They can just as easily go to a bank and make a loan there at more or less the same rate.

There is definitely no advantage to the agricultural associations which administer these programs. These associations are liable for 10 per cent of the loans made. It costs them funding to administer the program. There will be so few farmers who will benefit from the revised program that the associations themselves are no longer able, under the proposed revisions, to administer the program. They simply will not have sufficient funds to do so.

Many, many groups across this country have expressed their deep concern about the proposals in this bill. In Ontario, where my riding is, we have tobacco growers who represent a group that has received tremendous assistance through this program. Over one-third of the program goes to assist the tobacco and corn producers in our province. But there are nine different commodities in Ontario that are grown and which product benefits the farmers of the areas. These are: flue cured tobacco, corn, soybeans, apples, potatoes, processing tomatoes, honey, oats and barley.

Some 33 different producers in the province took advantage of the program last year which advanced $87 million and paid $53.3 million in interest.

I consider farming to be, as I said before, our most vital industry in this country. I consider agriculture or food to be a major security commodity in our world. Our world is changing dramatically. We are very pleased when we look at our world today to see the east-west *détente* that is taking place at the present time. We do not have the same fear that we did some years ago of nuclear war.

We are very interested to listen to the changes daily with regard to the policies of *perestroika* and *glasnost* in Russia, and the opening up of societies in Eastern Europe, but we have to balance this optimistic scenario with the alarming world economic scene in which a few multinational corporations are involved in a growth that is staggering. To quote from a report of the Club of Rome about this: "Every day of continued exponential growth brings the world system closer to the ultimate limits of that growth. A decision to do nothing is a decision to increase the risk of collapse".

I am alarmed as I see the policies of this government which allow our family farmers to go out of business, which allow multinational corporations to take over the food industry, and which dismantle our supply management programs leaving our farmers much more vulnerable than they were before.

I am discouraged by the attitude of farmers. I do not blame the farmers for their attitude but it alarms me. I think our government does not understand the crisis that will exist in this country if our farmers continue to fail in their ability to produce and live from their family farms.

I have spoken to many farmers in my riding who speak of the impending closure of their farm operations. I have spoken to farmers whose farm operations have closed down simply because they are no longer able to procure sufficient income to make the high risks that they bear on behalf of the people of Canada worth while.

In my particular riding of Northumberland the farmers who are at risk, the farmers who have had to sell their farms, the farmers who feel that that is imminent for them, are to some extent more fortunate than other farmers in this country.

Northumberland riding is an area of intense growth and development. We have a scarcity of housing. We are experiencing the growth pressures of Toronto where housing costs are enormous. People are looking from large urban areas to the area of Northumberland as a very desirable place to develop. Small businesses are coming in, and we have more and more industrial parks. We have more and more new housing subdivisions. These industrial parks and housing subdivisions are gobbling up number one prime agricultural land.

I cannot accept this. I think that this government has to be more committed to supporting farming in this country.

The revision to these acts, as I said before, is just one more example of how our government is getting rid of agricultural programs that support our farming industry. The farmers that I talk to are discouraged, disheartened and humiliated because of their financial circumstances. In my riding they are able to sell their prime agricultural farm land for housing and industrial development because of the growth experienced in my area.

I know, however, that farmers in other regions of this country who do not happen to reside in areas that are developing like mine also experience the same pressures of being unable to financially continue to maintain their agricultural production. These farmers are having to abandon their farms, their equipment, and walk away from their farms with nothing. I think this is a disgraceful situation.

I think that this country in this century has grossly underestimated the value of our country's farmers. We do not appreciate the labours of the farmers. It is not a one income operation on our family farms. Every member of the family is still involved, not only in agricultural farming on their own farm, but in order to maintain any level of existence with dignity they are having to be employed in off-farm operations as well.

We do not give credit to our farmers. We do not value in this country the food production we have because we have had it too good. The eastern Europeans and the Europeans are people in my riding who do understand better than others the serious value of food and food production. It is people from Europe who have undergone in this century two serious world wars. These people have experienced hunger and deprivation of basic food. They know that they can no longer even consider their countries to be in a situation of being self-sufficient in agricultural production.

• (1310)

I personally believe that this is important for every country in the world. I certainly believe it is a situation which should prevail and must prevail in our country. This country must be self-sufficient in food production in our basic food products that are easily grown in our country. If we through revisions to acts such as these which affect our agricultural industry allow farming and agricultural production to fail and allow Americans to take over our food production, then we are in serious trouble.

We know that the United States views our resources as being extremely valuable. Food is a security item. The U.S. would love to have our water, our forests, and our mines, all of our resources. If we do not have the ability to produce our own food and we are dependent on the United States for our food production, then we will find ourselves paying with our natural resources, our water, forests, fish and mining products. We will find that we are paying high prices for food in order to provide our resources to the United States. I do not think that is an enviable position at all. It is one that we must foresee and avoid at all costs.

I think that this government has to sit down to review and revise all of its agricultural policies and to do everything possible to help and support family farming and food production in this country. This bill is just one more example of how our government is not committed to that policy.

I have received letters from and had conversations with different producers throughout my riding who have addressed the seriousness of this bill in their own way. They say to us that the bill has no advantages for them as food producers, that it has serious disadvantages. They do not consider that it in any way disturbs our trading relationships with the United States. They ask that this bill be withdrawn at this moment and that they be given the advance payments necessary for them right now, necessary for them last month and the month before.

There are many groups in Canada which have expressed their concern about this bill including the prairie pools in the west, the Saskatchewan Wheat Pool, the National Farmers Union, the Manitoba Corn Growers Wheat Association, the Northumberland Federation of Agriculture, the Canadian Federation of Agriculture, the Ontario Corn Producers Association, and the British Columbia Vegetable Marketing Commission. I could go on and on and on.

The intent of this bill is to get rid of the interest-free provision in the bill. That is totally unsuitable. The bill as it stands without this provision has no value for our Canadian farmers.

The act is in place to try and encourage a proper marketing system in our country. It encourages our farmers to store product. It helps them to maintain reserves, to help our whole country to sustain decent prices over a longer period of time in support of farmers' incomes.

If we do not withdraw this bill at this point in time we will make ourselves more vulnerable to the low commodity prices south of the border. It will have the inevitable effect of accelerating the existing process of putting more and more farmers in this country out of business.

Mr. Duhamel: Mr. Speaker, I want to thank my colleague for her address. Clearly a number of people who have spoken today talked about the sleazy approach of this legislation. They talked about the misleading approaches of government to a number of things.

We all remember VIA Rail. There was going to be investment before they got into power.

With respect to the trade deal, never, never would there be a trade deal. Of course, what is it?

Remember education? They would support it to the same level. They said they would double research and development. Nothing has happened there either. In fact, it has been cut, cut, cut.

Air Canada was not for sale, they said in 1985. Now it is gone. Remember deindexing? They didn't get away with it, but they are coming at it from another approach. The clawback amounts to the same thing.

I mentioned this morning the national laboratory. It was going to be here, then here, then here. They don't know where in the world it is going to be.

I was really concerned as well with some of the comments made recently with respect to our aid to developing nations.

My question goes back to a comment that was made that prime agricultural lands are being gobbled up by urban sprawl. I appreciate the fact that we need to have a clear policy with respect to self-sufficiency. I am hoping that that is a priority. At the same time I am concerned whether this or any other government actions will have any potential negative effects on the assistance that we normally give developing nations. Is there any chance that that might be so?

Mrs. Stewart: Mr. Speaker, in response to that question I think that the original intent of this act is an intention of this country in its agricultural policies toward developing nations as well. We are trying to help developing nations to have self-sufficiency in agricultural production. We are trying to help them to orderly market those products. By teaching this abroad, by assisting this abroad and then by repealing the same thing in this country makes us very two-faced.

I am very concerned about the impact in the future, the implications that will occur in the Third World if we as policy-makers do not respect the notion of self-sufficiency in agricultural production.

I would say that we are changing our attitude toward Third World countries and that that would no longer be a priority for our operation in Third World countries, in effect saying that agricultural production is fine in the hands of the multinational corporations.

We know, however, that that has very serious consequences. Multinational corporations have the same abilities as any producer. When you go shopping in supermarket in Canada you will find counters that have what the producers call loss–leaders. They are able to sell certain products at very reduced prices in order to encourage buying of that product on the part of the public.

Multinational corporations, as they attempt to take over agriculture on our continent, have the same ability. They can sell to Canada from the United States products at whatever low price they want in order to put our farmers out of production and capture the market.

I think that has very serious implications, not only for farming in this country but for farming world–wide. We are putting agricultural production into the hands of multinational corporations at which point we are vulnerable.

Mr. Milliken: Mr. Speaker, the hon. member for Northumberland made an excellent speech. She made a point on which I wonder if she could comment further.

Yesterday, in the course of his remarks concerning House business, the Minister of Justice and leader of the government in this House made some very strange and most gratuitous comments in respect to our participation in this debate. He said, as reported at page 4883 of *Hansard*:

> My hon. friends will understand that the opposition has been filibustering this bill for some time and we intend to push forward in order that the farmers of Canada will receive those very important payments.

• (1320)

Everyone knows that statement is utter garbage. I am surprised that the Minister of Justice of all people would come into this House and spout such nonsense. I know the Hon. Member shares my view in that respect.

What concerns me is the suggestion in the remarks of the minister that the debate in this Chamber is somehow holding these farmers up from their payments.

Is it not a fact that the Minister of Agriculture could now release the money under the existing act, which would give the farmers of this country more money than they will get under this bill? He is in a position to do that today.

The only reason he is not doing it today is that he is blackmailing Canadian farmers and trying to blame the opposition for the fact that he is not fulfilling his obligations under the law and making the payments under the existing act. Is that not the way it is? Could she perhaps explain it to some of the people sitting behind the ministers on the other side who seem to lack any appreciation of the facts in this matter?

Mrs. Stewart: Yes, I would agree. I really feel, as do other members in this House who have expressed this concern, that there is no reason for the revisions to this act to be holding up the government's immediate payment to our farmers, the payments which should have been made more than a month ago.

The proposed amendments which we object to mean that the acts will have no real benefit to our farmers. It is a sleazy way that this government has of simply withdrawing an important agricultural promotion program in this country.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I never thought I would be around here long enough to have to stand up to oppose a government bill which amends the Prairie Grain Cash Advance Payments Act and subsequent legislation that allowed it to cover all crops. If there was ever an alliance between the Conservatives, the CCF, and the farm organizations in western Canada, it was on this issue.

I was a station agent in the little village of Richmond in southwestern Saskatchewan in the days when there were not enough boxcars. The elevators did not have enough storage capacity. Quotas were small and farmers had to buy granaries. They even had to pile grain on the ground and cover it with straw and hay bales to protect it from the weather.

In order to allow grain producers to get more granaries, to relieve the congestion in the country elevator system and grain terminals, to relieve congestion on the railways when there was insufficient motive power and rolling stock, the Prairie Wheat Pools, the National and Saskatchewan Farmers Union, Manitoba, Alberta, the co–operative movement and the CCF started in the late 1940s demanding a system of cash flow for grain producers that would allow them to have income during the periods of time when they were up to their necks in grain and could not sell it or deliver it. That went on until 1957.

We all—even political opponents—applauded Mr. Diefenbaker. It was the second thing he did after he was sworn in. He implemented a system of interest-free cash advances on prairie grains. All of us, political friend and foe alike, applauded Mr. Diefenbaker because we ran into stubborn Liberal governments in the 1940s and early 1950s which did not listen. They would not listen and that was why they were defeated.

I have noted that they have not repented their sins. I hope one day one of them will get up and say how wrong they were on this and a number of other items.

Mr. Milliken: Mr. Speaker, I rise on a point of order. I was going to deal with the fact that he is talking about Liberal governments.

The Acting Speaker (Mr. Bird): What is your point of order, please?

Mr. Milliken: It is that we are debating a government bill and there is no minister of the Crown in this House. It is a principle of responsible government that a minister be here. This is a government bill—this is not Private Members' Hour—and there is not a single Minister in this House.

The Acting Speaker (Mr. Bird): Order, please. I am advised that you are incorrect in reflecting on the presence or absence of members.

Mr. Benjamin: I do not mind the interruption, but I cannot think of a minister over there who I want in the place anyway, especially when I consider the hon. member for Vegreville, whom I really like. He is a good friend. We have been associates here for a long time. We were both members of the class of '68. He was one of the strongest of all in the fight for interest-free cash advances. He was one of the strongest of all.

Would you believe it was the same with VIA Rail? Today, he repeated a firm commitment to supply management and orderly marketing and marketing boards. I have been saddened to the verge of tears about that hon. gentleman who I think is basically an honest, decent man because he has stopped getting up to fight for what is right. How this piece of legislation could get past a committee of cabinet with the hon. member for Vegreville being present is beyond me. That is a very sad case, in my opinion.

The interest charges on those cash advances, initially on prairie grains and then subsequently on all crops right across Canada, have been more than recovered in other ways. In effect, it has not cost the government any money. Certainly it also has not cost our economy any money, but it has benefited our economy if for no other reason that just on our export markets, particularly in commodities that were not under marketing boards or supply management. Our farmers were subject to what was called, and still is, the market-place.

Of course when the market-place got flooded with lots of vegetables, fruits or whatnot, the price went right through the floor. But what else could they do? Commodities that could be stored and kept for some length of time took a beating. Farmers and fishermen are the only ones I know of who are price takers, not price setters. All the rest of our economy, all our professional people, all our unionized workers negotiate a price or set a price on what they are producing or the services or labour they are selling. Only farmers and fishermen have to take what they can get. They have always had to take less than what it costs to produce.

I have never been able to understand why any country, let alone this one, would allow that to happen. If we paid our fishermen and our agricultural producers their cost of production plus a decent living, and in order to help those who could not afford the higher cost of food, there are other programs to offset the high cost of food such as school lunch programs, and subsidies for the low income, the poor, and the elderly, then no longer would the finger be pointed at farmers and fishermen about the subsidies they are getting. It would be a consumer subsidy, and the farmers and the fishermen would be in the same category as the corporate community and the manufacturers and the processors who can set their price. Don't tell me about competition in the market-place, no matter what it is in, but I am particularly acquainted with transportation.

• (1330)

A railway sets a rate, the other railway has the same rate. An airline sets a fare, the other airline has the same fare. It goes on all the time. Lawyers have their fee schedules and if one lawyer starts cutting those fees too much he is in trouble with the law society. The same with architects and accountants, you name it.

If nothing else, the interest free cash advances not only gave some cash flow at times when there was no cash income for their production and their work, but it was the decent thing to do. Even subsequent to the defeat of the Diefenbaker government in 1963, the new Liberal government under Mr. Pearson recognized that, kept it, and made some improvements.

When this government came into power in 1984, we got what were called firm commitments from the Prime Minister, the then Minister of Agriculture, the present Minister of Agriculture and Deputy Prime Minister, and Tory candidates all over Canada on these agricultural programs.

I do not use the word "betrayal" lightly because that is a very strong, mean word to use. But it is a betrayal not only of those farmers, it is a betrayal of good, electoral and political process, and it is a betrayal in our country.

The $27 million that I believe is the figure that cash advances cost in interest is less than the cost of storing those commodities, less than the income tax benefits, much less, than the tax benefits for corporations and for the wealthy. My goodness, the government could pick up that $27 million just by charging one-tenth of 1 per cent interest on deferred corporation taxes which now amount to almost $40 billion. In fact, it is part of the alternative that I am advocating to the GST.

If corporations were made to pay 10 per cent interest on their deferred corporation tax, it would amount to $4 billion, and 10 per cent is less than the bank rate. We would be surprised then how fast the CPR, Inco, Bell Telephone and all that bunch would start paying back deferred corporation taxes because right now it is an interest free loan, and it will never otherwise be collected. It is just lying on the books of Canada. Those deferred corporation taxes are nothing more than an interest free loan.

When we look at Canadian Pacific or International Nickel's annual reports, they show it as a liability. They get an interest free loan: Canadian Pacific, $2 billion; International Nickel, $1.5 billion; Bell Telephone, $1.5 billion, each. They can get an interest free loan, but our farm producers cannot any more under this legislation.

My goodness, what is the government doing? It had better think about what it is doing. Those interest charges are less than the increased costs that would be incurred every time the grain companies and the transportation companies get flooded with a rush of grain because the farmers need money. If one were to revert back to the years of the 1940s and 1950s and the early 1960s, those costs would be much higher.

As long as we had the Temporary Wheat Reserves Act which, thanks to Mr. Otto Lang and the then Liberal government was repealed, the government would pay the storage costs on grain over a certain amount every year. They did this because it was not the fault of the grain companies and it was not the fault of the producers, and everybody seemed to think that all this surplus grain was somehow not an asset. Grain in the granary is like money in the bank. We had the Temporary Wheat Reserves Act in which the government would contribute as much as $100 million a year. I forget the figure, but I think if there was something like 175 million bushels of grain in storage at the end of a crop year, the government paid the storage charges on amounts above that. That was only fair.

When the government attempted to repeal the Temporary Wheat Reserves Act and present Otto Lang's first grain stabilization bill, I and four farmers took him to court because the Minister of Finance had not paid the Canadian Wheat Board the storage charges that it owed for 18 months, and it came to over $96 million. We took him to federal court in Regina, the four farmers who had a direct interest in the matter. We got a writ of *Mandamus* which is the opposite of an injunction. A writ of *Mandamus* says you shall do something, instead of you shall not do something. The government had to pay $96 million $2.5 million in interest, plus $2,700 in court costs. We won that fight. But the government still got its way and did away with the Temporary Wheat Reserves Act.

I hope that there is somebody out there in the country or lots of organizations that are consulting with legal counsel to see how the law on this bill reads. I understand that even though this legislation has not been passed, the Cabinet and the Treasury Board will not authorize the Canadian Wheat Board to issue interest free cash advances, even though under the law our producers are entitled to it. It seems to me, particularly if the law says the Minister of Finance shall pay or shall allow, then we have to get into the Federal Court and get there fast.

• (1340)

This betrayal is a classic illustration of the unfair way this government treats certain sections of our society. If it is not VIA Rail, it is farmers. If it is not farmers, it is fishermen. They have a different set of standards or rules for each sector of our society. I think it is a crass, deliberate way of setting off one group in our society against another. It does not enhance our ability to remain a united country in a real Confederation.

I know most Canadians will not get excited about this. Interest free cash advances are not a big deal in downtown Vancouver, Toronto or Montreal. Hells bells, $27 million, that much is lost in the stock market in Toronto on a given day. Who cares? However, it is important in principle and it is important in fairness.

I want to ask the government and I want to ask my friend from Edmonton and all the other government members who are present, all eight or nine of them, would they please go to their caucuses and ask the minister responsible for this legislation to withdraw it forthwith. I don't know why I am trying to help the Tories to get themselves re-elected, but there is a classic principle about politics. The longer you are in the more you work at defeating yourself, and this is a classic example. This one is going to cost the Tories, I predict, a dozen seats in the three prairie provinces alone. I am afraid they will elect some of those wild-eyed idiots who call themselves reform. I call them deformed.

I know I have used up my time but I would sure love to continue speaking until two o'clock. If I am lucky, there will be some questions so I can hold forth some more.

Mr. Deputy Speaker: It does not appear that the member is going to be lucky.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I am very pleased to be able to speak in the House today on behalf of the agricultural community in Malpeque in opposition to Bill C-36. This bill is another example of the abusive treatment that Prince Edward Islanders received this spring as a result of the 1989 budget.

We have the pending closure of CFB Summerside, the changes to the unemployment insurance program, the increase in excise taxes, the reduction in the provincial health and education grants, and the VIA cuts outlined and confirmed two weeks ago with the announcement that there will no longer be a VIA bus to transport rail travellers from Moncton to Charlottetown. The list goes on and on. This government is challenging every aspect of life in my province and this bill is no exception.

Today, I would like to discuss how these amendments affect the Island farmer, how important these two acts have been to farmers both in Prince Edward Island and across Canada. I would like to examine what motivated this government into presenting a piece of legislation so detrimental to our marketing system. The motivation behind this bill is the free trade agreement with the United States.

Prince Edward Island, among many other things, is well known to Canadians as a million acre farm. Our beautiful rolling hills and red soil are famous for the crops they produce. For many Canadians, when they hear Prince Edward Island mentioned, they cannot help but think of potatoes.

Agriculture makes up approximately 15 per cent of Prince Edward Island's gross domestic product. Over 6,000 Islanders are involved in this industry and that does not include related industries like fertilizer plants, truckers, and so on. It is not difficult to see why Islanders are greatly concerned about this government's intention to amend the Advanced Payments for Crops Act and the Prairie Grain Advance Payments Act.

I would like to share with the House today some correspondence that I received from representatives in my riding of Malpeque who are opposed to the amendments to this bill. The Potato Producers Association of Prince Edward Island states that its organization was "shocked and infuriated by the announcement by the federal Minister of Finance's announcement to remove the interest free provision from the Advance Payments for Crops Act. The Potato Producers Association of Prince Edward Island find the proposed amendments totally unacceptable and request you, as Members of Parliament, to support all agricultural organizations in their request to have the proposed amendments revoked."

I also had a letter from the Potato Marketing Commission. The commission states: "If this amendment is introduced, it will basically destroy this valuable program at a time when it is needed most. This is a serious setback to Prince Edward Island potato farmers and will cause real hardship this fall for potato growers facing high interest rates."

The Prince Edward Island Vegetable Growers Co-operative Association asks: "Is this amendment to the Advance Payments for Crops Act an indication of the present government's reversal of agricultural policy regarding import displacement and self-sufficiency and thereby opening our markets to U.S. production?"

I have received other letters besides the three that I have mentioned. Finally, I would like to share the concerns of Mr. Gary Heaney, President of the Prince Edward Island Federation of Agriculture. Mr. Heaney says: "The change recommended by the Finance Minister in the budget will do little to cut the national debt but, on the other hand, will cause great hardship for our potato growers and others, especially when today's rising interest rates are considered. The Prince Edward Island Federation of Agriculture is in favour of all Canadians working together to cut the country's debt. But we need a realistic approach rather than actions which harm our basic producers without helping the economy in any major way".

In the minister's opening comments on this bill, we heard from him, once again, how all Canadians must share in the deficit. The minister said in this modest way the government is asking farmers to contribute to lowering the deficit. What this government is asking farmers to do is not modest, by any stretch of the imagination.

I want to share a few facts and figures with you. The impact of this amendment on our potato producers in Prince Edward Island would be approximately $280,000 in lost free interest; tobacco producers, $54,000; vegetable and fruit growers, $10,000; and our grain growers, $18,000. That totals approximately $365,000 annually that our farmers will lose.

The effectiveness of the Advance Payments for Crops Act is certainly well known. For the last few days we have heard a lot of the advantages of the program discussed. Certainly, the most important is the interest free cash flow which helps create orderly marketing, which in turn brings better prices for the farmer.

• (1350)

The fact that the advances were interest free was the most important feature of the program. It enabled producers to save on interest costs by meeting debt obligations to creditors earlier than might otherwise have been the case.

With a cash flow and the crops stored a farmer could look after his smaller creditors, and pay off many of the costs incurred throughout the growing season. It assisted the small business people in the community as well. It meant that the fertilizer distributor was paid and the fuel and oil distributor was paid. There is no question that this cash advance program was needed and worked well.

A cash advance drawing a high interest rate is a very much less desirable solution than one that is interest free. An interest bearing advance does not improve a farmer's debt position. The burden of interest costs will only be transferred from one creditor to another. As the National Farmers' Union point out, producers have no effective way of passing on interest costs as part of the cost of their product. Interest payments on borrowed money which require inventory of production as collateral is a negative cost burden that many producers could not afford to absorb.

By turning the underlying foundation of the cash advance program inside out, Bill C-36 will destroy another basic agriculture program that provided a degree of underpinning for the Canadian farm security. The amended programs usefulness will be severely limited.

As I mentioned before, the interest free portion in both acts encourages orderly marketing. The Prairie Grain Advance Payments Act provides needed cash flow to producers during times of surplus stock and tight quotas. It permits the Canadian Wheat Board the leverage to time sales to the benefit of the farmers.

Along with a number of farm organizations, the Canadian Federation of Agriculture has opposed Bill C-36. Their suggestion is that these two programs be fully reinstated with the interest free portion intact for the 1989-90 crop year. During this time, they suggested that a major study be conducted on the effects of the proposed amendments on the farm economy and farming costs.

It is quite appalling that this government has not listened to the farm organizations across Canada. My colleague, the member for Algoma has read into the record the long list of farm groups that oppose these amendments. We have not heard from one organization in support of this bill. This government must consult with those this legislation will so drastically affect. Bill C–36 must not be passed. I, along with my colleagues, trust that this government will listen to the Canadian agricultural community and withdraw this bill.

Another problem generated by these amendments is that the loans under the two acts have been suspended until the House deals with this legislation. The fruit and vegetable harvest is almost complete in Prince Edward Island. Many farmers do not have the cash advance needed for them to proceed with their business debts.

Furthermore, when this announcement was made in the April 27 budget, farmers had already planned their season with the interest free cash advance as part of their annual financial plan. They are dependent on this interest free cash advance for the 1989–90 crop.

It appears that this government is eroding every aspect of rural life in Canada. Our rural communities are no longer properly served by VIA Rail, the rural post office is slowly being removed, and we have the constant threat against the existence of the family farm by high interest rates. We have cuts in rural and regional development programs, and the undermining of our dairy industry.

I would urge this government that Bill C–36 be withdrawn and that the government carefully consult with the agricultural community across Canada before consideration of this type of legislation takes place.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on the amendment standing in the name of the hon. member for Algoma. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 45(6), a recorded division on the proposed amendment stands deferred.

Mr. Cooper: Mr. Speaker, I rise on a point of order. There have been discussions among the three parties in the House, and I think you will find that there is consent for us to revert to motions so that we can address a specific motion standing in the name of the hon. member for Kingston and the Islands, which calls for concurrence in the fifth report of the Standing Committee on Elections, Privileges, Procedure and Private Members' Business.

Mr. Deputy Speaker: Is there unanimous consent that we revert to motions?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

ELECTIONS, PRIVILEGES, PROCEDURE AND PRIVATE MEMBERS' BUSINESS

CONCURRENCE IN FIFTH REPORT OF STANDING COMMITTEE

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I should like at this time to move concurrence in the fifth report of the Standing Committee on Elections, Privileges, Procedure and Private Members' Business.

The report has been before the House for some time. It basically is a simple recommendation to the Canadian Broadcasting Corporation authorizing it to broadcast on the parliamentary channel a complete replay of the proceedings of the House of Commons immediately after the daily adjournment of the House, until some other arrangement has been entered into.

As hon. members know, the committee is studying the question of the televising of proceedings of this House, and until a definitive report has been received from the committee, we are suggesting this as an interim measure. It had full agreement of all members of the committee, and is the unanimous recommendation of the committee.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I have a brief intervention. I want to applaud the motion of my Liberal colleague. As a member from British Columbia, the replaying of the House proceedings for western Canada would be most useful. With the time change, we would then be getting Question Period being viewed at prime time. If we want to open up the political process for Canadians from all regions of Canada, this motion could only do well. I applaud the member's initiative in putting it forth.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, may I just indicate, on behalf of the government, that we are more than anxious to co-operate with this motion and would be happy to support it.

Motion agreed to.

Mr. Deputy Speaker: It being two o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

MUSEUMS

MEASURE TO ESTABLISH CANADIAN MUSEUM OF OCEANOGRAPHY

The House resumed from Monday, June 5, consideration of the motion of Mr. Gauthier:

> That, in the opinion of this House, the government should consider giving serious study to the establishment of a Canadian Museum of Oceanography in the National Capital Region, which would include among other things a national freshwater and saltwater aquarium containing specimens of all of Canada's aquatic fauna.

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, it is a great pleasure for me to stand in the House today to speak on the motion of my hon. friend from Vanier, particularly after the debate that we heard in the House yesterday. Surely, it must indicate to all Canadians who watched and to those who participated here a recognition of the maritime way of life that is such an inherent part of this country.

• (1400)

Clearly, in Newfoundland and Labrador and Atlantic Canada, that goes without saying. But other Canadians in different parts of this country who live off the bounty in our waters, be they salt or fresh, recognize as does this motion that it is a huge part of the way we live.

The native people who were the first settlers of this country obviously lived on fish, in the Arctic and in other areas of the country. Those who first came here, the Norse, John Cabot, Cartier, the Basques, and those who followed quite clearly came for fish and for water mammals.

So much of this country has its culture and its history inherent in the water. Sadly, the tragedies that we witnessed last week in Middle Cove and St. John's East bring home how cruel that sea can be. But it is inseparable from how our people have used the sea and the fresh water as a source of their economy and their way of life.

Quite clearly, as a country surrounded by three oceans, and with the St. Lawrence and the Great Lakes, clearly water is part of our national definition and how we see ourselves. I think it is only appropriate that a country like this have a museum of oceanography that celebrates that history and that culture, as well as its economy, which we talk a lot about in this House, and which is so important to us all.

Part of our concern for this history, culture and economy has to be the future. Where are we going? Clearly, one of the most important aspects of any museum, any celebration or any exhibition of this nature has to be our ecology and the environment that we depend upon for the future of that culture, of that history and perhaps, most importantly, for the future of that economy.

I suggest that to limit this proposal to one part of the country without at least investigating the possibility of this institution being established in the living, breathing part of our maritime regions, particularly the Atlantic provinces, would be, unfortunately, narrowing.

I would like to propose an amendment to this motion. If it is accepted, this side certainly would move to pass this motion right away. I think it is important on this dismal, rainy, Friday afternoon that we recognize that part of this spirit of co-operation is in celebration of a great festival and a great anniversary, the birthday of our hon. friend from Vanier.

I would like to move:

That Motion 361 be amended by deleting the words: "In the National Capital Region".

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Ottawa—Vanier.

Mr. Gauthier: The House will perhaps allow me to say a few words, Mr. Speaker, and I will be brief.

[*English*]

I wish to say a few words to explain that I accept the comments made by my friend from St. John's East. It is, indeed, a proposal which would take into consideration the regions of this country. I do think it may have been a bit far-fetched for me to pretend to entertain an oceanographic type of museum in the national capital region. Nevertheless, the idea was there.

I did want to make sure that the House was made aware that in this great country of ours, surrounded by three oceans, we have to pay attention to our water resources. We are the largest country in the world possessing about one-third of the fresh water of the world. I think it is time for this country to take pride by equipping itself with a museum which reflects this wealth of Canada. I do think that with the environmental concerns of today we would be able to educate Canadians to better understand the richness and wealth of Canada in terms of its water resources.

Having said all that, I accept and thank the member for his wishes on my birthday, but I could not let the occasion slip without reminding the House that it is also on the same day, October 22, the birthday of the Deputy Speaker in the chair at this time. I want to wish you, Sir, a very happy birthday.

Some Hon. Members: Hear, hear!

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am very pleased to see this amendment added to the original motion. I notice the motion states that there is a centre for research and conservation, concentrating on oceanographic studies. I want to point out that the Institute of Ocean Sciences is based in my riding of Saanich—Gulf Islands and therefore to suggest that there is a Pacific coast as well that would be most receptive to a museum of oceanography.

As the member for Ottawa—Vanier has stated such a museum would demonstrate Canada's expertise in the fishing sector. After yesterday's debate one must wonder whether or not our fishery expertise is going to be relegated to museum status rather than a viable industry.

In closing, I also want to say that this always raises the question of the use of federal dollars to support museums generally. In my riding I have two museums that are seeking federal support. One is on the Gulf Islands, on Pender Island at Port Washington where, I believe, they have been denied access to federal funds. This is a community that is trying very desperately to refurbish as a heritage site the Port Washington general store. With a lot of imagination and initiative from the local citizenry they have done great work, yet the federal government seems to want to put all of its museum money into central Canada, and particularly into the national capital region.

I agree with this amendment that perhaps we should be looking at other avenues where the money should be going, not only for a museum of oceanography but for museums generally.

Another example of a museum in my riding is the whale museum in Sidney which is also in need of federal funds, the kind that generate tourist interest in our area.

In closing, I want to applaud my colleague for St. John's East for putting this amendment to this original motion and I am sure we can vote in support of that motion.

Ms. Mary Clancy (Halifax): Mr. Speaker, I would like to speak in support of the amendment. Of course, representing the city of Halifax, it would, in normal circumstances, be the obvious place for such a museum. But I would like to make a suggestion to the House, that given the situation in Atlantic Canada and, in particular, in our sister province of Prince Edward Island—I am sure that the hon. member for St. John's East would agree with me—that perhaps the place for the Museum of Oceanography might be the town of Summerside.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on the amendment. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Amendment agreed to.

Mr. Deputy Speaker: The question is on the motion as amended. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: It being three o'clock, this House stands adjourned until 11 a.m. Monday.

The House adjourned at 2.12 p.m.

HOUSE OF COMMONS

Monday, October 23, 1989

The House met at 11 a.m.

Prayers

PRIVILEGE

CANADA POST CORPORATION SERVICES

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I rise on a question of privilege.

I wish to lodge an official complaint and request an investigation by yourself or by the RCMP through your office, Mr. Speaker, regarding a postal delivery occurrence originating from this local post office.

Last Saturday, the editor of the *West Quebec Post*, a weekly paper in the Wakefield area, Mr. Ernie Mahoney, called my home to inform me that 21 parcels with post frank on them, containing information on the proposed goods and services tax, were found in a ditch in the Farrellton area which is near Wakefield, Quebec. These were found by a local farmer by the name of Connor Plunkett.

Mr. Mahoney, the editor, with the help of the farmer returned 20 of the 21 packages to the Wakefield post office. These parcels all bore, as I said, the post mark and addresses in the Navan–Orleans district in Ontario, in the opposite direction.

I find the situation, of course, unacceptable and obviously a criminal act. I would appreciate if you would investigate. I will be forwarding to you a letter with the details.

Mr. Speaker: The hon. member has brought to the attention of the House, through the Speaker, a situation with respect to the disposition of certain parcels of mail. It is a matter which is probably of some considerable concern to all hon. members.

I shall take it under advisement and return to the House as soon as I can with either recommendations or some further information which may be helpful. I thank the hon. member.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada and Leader of the Government in the House of Commons:) Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 44 petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

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ORDER IN COUNCIL

TABLING OF APPOINTMENTS AND REFERENCE TO STANDING COMMITTEES

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), these appointments are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

[*Translation*]

INTERPARLIAMENTARY UNION

TABLING OF ELEVENTH REPORT OF CANADIAN GROUP

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour of tabling, in both official languages, the eleventh report of the Canadian Group of the Interparliamentary Union.

The report was prepared by the official delegation representing Canada at the eighty-second Interparliamentary Conference held in London, in the United Kingdom, from September 4 to 9, 1989.

Mr. Speaker, I may add that the Conference put special emphasis on the Interparliamentary Union's centennial, and that the Canadian delegation was very proud to represent Canada at the opening ceremonies which took place in the presence of Her Majesty Queen Elizabeth and the Prime Minister of Great Britain, the Right Hon. Margaret Thatcher.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*English*]

PETITIONS

VIA RAIL

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour today to present yet another petition in support of VIA Rail.

It is signed by a number of Canadians who express their concern with the fact that the railway passenger service as carried out by VIA Rail is essential for many Canadians and has been part of Canada for more than 100 years.

• (1110)

They believe that the Government of Canada has announced a $500 million cut-back over four years, which will reduce the service and seriously affect the ability to have railway service in our country.

Therefore, the undersigned call upon Parliament to maintain the existing VIA network, to upgrade VIA equipment, and to guarantee VIA sufficient support to carry out its mandate to provide passenger service.

PROPOSED GOODS AND SERVICES TAX

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I have the honour today to rise to present two petitions which have been certified correct, both dealing with the proposed goods and services tax, both signed by members of the riding of Scarborough West.

There are a total of 53 signatures, all of them calling upon the government not to introduce this heinous tax.

REVISION OF EXTRADITION LAWS

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, I have the honour today to present, under Standing Order 36, petitions calling upon the government to revise our extradition laws.

They have been signed by 3,037 residents of Edmonton—Strathcona.

VIA RAIL

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have the honour to present a petition today signed by the people of Thunder Bay who on January 15 will be losing their passenger rail service through the city of Thunder Bay.

It is more important now inasmuch as over this past weekend they had their first snow fall in the north. Several communities were denied access to airplane and highway transportation. The only available means of transportation was the railway. Had this happened on January 15, those people would have been denied access to any means of transportation whatsoever.

I have the honour of presenting this petition, signed by the people of Thunder Bay, which has been properly certified.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, I also have some petitions from people in Thunder Bay who call upon the government to reverse its decision and continue passenger rail services.

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, I also have the honour of presenting a petition from the people of Thunder Bay in which they express their dissatisfaction with the government's plans for cutbacks at VIA Rail.

[*English*]

These people are afraid that many routes will be lost and thousands of jobs will also be lost. They request that the government take another look and cancel its plans to dismantle VIA Rail.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I have the honour to present a petition from 475 of my constituents, asking the government to maintain the existing VIA Rail network, to upgrade its equipment and to guarantee VIA sufficient support to carry out its mandate to provide passenger service.

PROPOSED GOODS AND SERVICES TAX

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, it is my honour and duty to present, on behalf of a number of constituents in Colonsay, Bruno and Viscount near my constituency, a petition which asks the government to reject the proposed goods and service tax that would tax things like reading materials, haircuts, diapers, coffins and home heating fuels, and to put in place a fair tax system.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the duty to table this morning another petition from Canadians, 80 per cent of whom oppose the project of the Tory government to impose a sales tax on goods and services.

These people signed the petition in the hope that this Parliament will reject the proposed goods and services tax.

VIA RAIL

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, on behalf of the people of Kenora—Rainy River, pursuant to Standing Order 36, I would like to present this petition.

The people of Kenora—Rainy River have asked that the government reconsider the removal of the Canadian, the VIA transportation that runs through the riding of Kenora—Rainy River, based on the fact that throughout the whole summer it was completely booked and there was a lack of cars.

We ask that the government reassess its reasoning for removing a service that is lacking in cars, not lacking in people who are interested in using it.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, pursuant to Standing Order 36, I am very pleased to stand here this morning to present a petition on behalf of 107 petitioners who are concerned about the proposed cut-back in VIA Rail.

These petitioners are from the province of Ontario. They come from the Toronto area, Brockville, Agincourt, Willowdale, Cornwall, all over Ontario where the line between Toronto and Montreal very seriously affects them.

The petitioners are asking that the federal government please consider rescinding a decision to cut back on VIA Rail as they feel the service is very necessary to the people of Canada.

PROPOSED GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the pleasure to present a petition signed by a large number of residents of Kingston and the Islands.

These electors object to the government's goods and services tax and, along with 80 per cent of Canadians who oppose this tax, they call on the Parliament of Canada to reject it. In the petition they say that it will hit them not only with higher taxes but with higher inflation, higher interest rates, and higher unemployment.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to announce that Question No. 128 will be answered today.

[*Text*]

PRINCE CHARLES PROJECT

Question No. 128—**Mr. Karpoff:**

In the Toronto housing project known as the Prince Charles project, was an application made to Revenue Canada for the refund of the federal manufacturer's sales tax and (a) if so, (i) to what person or persons (ii) for what amount was the refund granted (b) if not, for what reasons was no refund made?

Hon. Otto Jelinek (Minister of National Revenue): Revenue Canada, Excise has no record of receiving any applications for refund of the federal manufacturer's sales tax related to the Prince Charles project.

(a) (i) not applicable

(ii) not applicable

(b) not applicable.

[*English*]

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

The Acting Speaker (Mr. Paproski): The question as enumerated by the government House leader has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

Hon. Gilles Loiselle (Minister of State (Finance)) moved that Bill C-20, an Act to amend the Excise Tax Act and the Excise Act, be read the third time and passed.

He said: Bill C-20 implements the changes announced in the Budget of April 27, 1989, concerning the federal sales tax and excise taxes and duties. These measures are an important component of the fiscal plan established by our Government to deal with the problem of our substantial and increasing national debt.

During the past four years, Mr. Speaker, this government has made considerable progress in reducing the annual deficit and slowing down the growth of the public debt. Additional measures are needed, however, if we are to sustain economic growth in this country and maintain the programs valued by Canadians. The fiscal plan we presented in the budget will achieve both goals, by reducing spending and increasing revenues. The proposed measures were carefully chosen to ensure a balanced approach that imposes the heaviest burden on those who are most able to bear it. Additional revenues will be drawn from a broad range of sources, including personal and corporate income tax and sales and excise taxes. Meeting the challenge posed by the debt by reducing spending and increasing revenues is a responsibility that we have to present and future generations of Canadians.

In view of the serious financial problems we are facing and in order to spread the burden of controlling the public debt as broadly as possible, this bill implements a number of increases in the federal sales tax. These increases include a 1 per cent increase in the federal sales tax rate on construction materials, from 8 to 9 per cent, effective January 1, 1990. The sales tax on alcohol and tobacco products will be increased from 18 to 19 per cent, effective April 28, 1989. The general sales tax rate is increased by 1.5 per cent, from 12 to 13.5 per cent, as of June 1, 1989. Taxes on telecommunications services and on programming services provided by telecommunications lines are also raised by 1 per cent, from 10 to 11 per cent, as of June 1, 1989.

• (1120)

These measures will contribute nearly $1 billion in 1989 and $2 billion in 1990 to deficit reduction.

Mr. Speaker, in the February 1986 Budget, this Government established the refundable sales tax credit to help Canadians of modest means. To offset the effect of increased federal sales tax rates on low-income individuals and families, the Bill to amend the Income Tax Act will considerably increase the refundable sales tax credit both in 1989 and in 1990. The sales tax credit for adults will be raised from $70 to $100 in 1989 and $140 in 1990. For children under 19, it will go from $35 to $50 in 1989 and $70 in 1990. Furthermore, the income cutoff for the credit will be raised from $16,000 to $18,000 in 1990 so that more Canadians can claim the credit.

This bill also increases some excise taxes and duties imposed under the Excise Tax Act and the Excise Act. The excise tax on unleaded gasoline is raised one cent a litre as of April 28, 1989 and the excise tax on leaded gasoline two cents a litre. An additional increase of one cent a litre will take effect on January 1, 1990.

Excise taxes and duties on tobacco products are increased substantially by $4 a carton for cigarettes and proportionally for cigars. The duties and taxes on manufactured tobacco products are increased by $5.30 a 200-gram container in two stages to generate revenue and reduce the difference in tax between cigarettes and fine-cut tobacco.

These changes to the excise taxes and duties will bring in some $0.9 billion in additional revenue in 1989 and $1.6 billion in 1990. Furthermore, they meet Canadians' concerns about the environment and dangers to health and tie in with the Government's overall strategy to reduce smoking in Canada.

[*English*]

This bill provides tax relief for Canadians. The sales tax portion of the fuel tax rebate program for primary producers is being extended one additional year. This program provides rebates of federal sales and excise taxes on motor vehicle fuels to primary producers in respect of fuels they use for off highway production purposes.

The program was introduced in the fall of 1984 as a temporary measure and is scheduled to expire at the end of this year. While the rebates of excise taxes will be allowed to expire as scheduled, the sales tax rebates are being extended to December 31, 1990.

A new sales tax exemption is being introduced for machinery and apparatus purchased for use in the processing or treatment of toxic wastes in toxic waste treatment plants. This measure will respond to Canadians' concerns about the environment by reducing the cost of equipment acquired by toxic waste treatment plants to process toxic wastes in Canada.

This bill also implements several minor technical amendments to the Excise Tax Act and the Excise Act. A number of amendments to this bill were proposed by some hon. members at report stage. Most of the proposed amendments related to the deleting of various clauses of the bill.

Interestingly, some of the motions would have deleted measures that would reduce taxes, such as clause 4 which extends the sales tax portion of the fuel tax rebate program for one additional year and clause 7 which provides a new exemption for machinery and apparatus for use in the treatment of toxic wastes.

On the other hand, some interesting proposals were made in the course of the debate on the merits of using the tax system to further the government's environmental objectives. While the House did not adopt any of these motions, hon. members may be assured that I have noted their comments on these issues.

This is an important bill. It will raise substantial additional revenues and implement a significant part of our plan to deal with the serious problem posed by the public debt. By reducing annual deficits and controlling the debt, we will be able to maintain the valued social programs and high standard of living Canadians have come to expect for themselves and for their children.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I appreciate the opportunity to reply to the hon. minister's address on this bill, Bill C-20. As a Canadian I would like to think that this government was interested in the finances of this country, but its entire record since taking office has indicated that it could not care less either about the welfare of this country or the welfare of Canadians.

The minister is trying to tell us that through some enlightenment he is now concerned with reducing the deficit.

When this government came to power there was a $22.6 billion interest tab on the debt that existed in this country. At the present time the interest on the deficit amounts to over $39 billion per year. The interest alone on the debt has increased by over $17 billion per year.

The government is now talking deficit because the election is behind it. It wants Canadians to believe that it is concerned about the economy of this country, that it is concerned about the welfare of Canadians. I find this deception of the government very difficult to accept.

The facts indicate that this is a government that callously and without concern for the people of this country has followed its own agenda. It has the people of Canada to look after themselves. It has an agenda that is going to open up our trade with the United States and link its interests with big business. The Tories say: "If in the meantime we act in your welfare it is coincidental and we wish you all the luck in the world".

This bill is nothing more than a preview to the gross deception that is yet to come, and that is the goods and services tax. A former friend of the government calls it "the gouge and squeeze tax". This bill is just a preliminary step to keep the pump primed until this government can get the big dollars. That is what it wants.

How can Canadians possibly believe that this government wants that money for any other reason than to squander it on what it considers its friends would like to have and on what will be in its best political interest?

• (1130)

Canadians will not accept that this government is interested in the welfare of this country or in the welfare of Canadians until it cleans its own house, until it deals with the management of this country in a way that Canadians feel is not only prudent but absolutely necessary. Until this government does something about bringing about government, bringing back political will to Canada, the country and its people will never accept tax increases in the nature that this government is putting forward.

We are asked to accept these increases in the federal sales tax and the excise tax. This is not the first time we have been asked to accept tax increases by this government. It is not the second time. It is not the third time. It is the fourth time that this government has come to the people of Canada and stated that it wants to increase the sales taxes and the excise taxes. This is the same form of consumption taxes that the Prime Minister himself "called the silent killer of jobs". In this case, the Prime Minister might ultimately be correct because if this government follows through with a goods and services tax, then there will be a silent killing of jobs and a noisy reaction from the people of Canada.

This is not going to be acceptable no matter how much this government tries to advertise and to make Canadians think that this is all in their best interests. We Canadians are no longer surprised to see such hypocritical action and double talk on the part of the government. The government is not going to deceive Canadians into believing that the goods and services tax, and these constant taxes, one after the other, time after time, are going to be in their best interests.

What are we going to get when we get the goods and services tax? We now have excise tax on gasoline at 13.5 per cent, the maximum, as if it were machinery manufactured in Canada. We have the sales tax at 13.5 per cent. We have the excise tax now at 8.5 cents a litre for non-leaded gasoline and 9.5 cents a litre for leaded gasoline. These taxes are tremendously high. Is this government going to take them off when the goods and services tax comes in? No, the government is not going to remove them. What it will probably do is tell Canadians that we need an environmental tax. We have to look after the environment.

The minister is talking about this tax as being an environmental tax for what we have to do for the environment. The environment is tremendously important. I just wish that the government realized how important it is. Canadians do, certainly on this side of this House we do. We only wish the government did. But the government will realize it, or at least it will in its pronouncements when it feels it has to issue a new tax. In addition to the goods and services tax we will undoubtedly be dealing with an increase in the sales tax and the excise tax in gasoline to justify keeping that tax where it is at the present time.

This government has a history of double talk. We have seen broken promises in other areas. We have seen it with VIA Rail. This government has said that it would improve rail services in this country and would never create second-class citizens. Well we have seen what has happened to that promise. The government has slashed rail services in this country and the people in the Atlantic and the north and in certain parts of western Canada are certainly second-class citizens in the minds of this government.

Everybody's favourite line is when the Right Hon. Prime Minister told voters: "Social programs were a sacred trust never to be tampered with". Canadians have come to realize that there is nothing sacred to this government, nothing at all.

Why, time after time after time, have we as Canadians, not only been misled, but have had the intelligence of everyone in this country insulted by the misleading policies and the misleading pronouncements of this government?

I would like to just go over this GST and talk about the inconsistencies with respect to what this government has said the goods and services tax would do and what this tax will actually do.

On October 8, 1988, during the election campaign, the hon. Minister of Finance said: "The bottom line is that the sales tax will not be used to raise the revenues of the Government of Canada". The reality is that the revenue is going to be used to raise the revenues of the Government of Canada. The revenue from the present tax is going to be increased from $18.5 billion to $24 billion. At the same time that the government is saying it is not going to raise revenues with the new sales tax, the revenues of the new sales tax are going to be used to fight the deficit. Now, if you do not have new revenues how are you going to fight the deficit? And even if you believed the government were interested in fighting the deficit, that record.

Second, the technical paper on the GST says that the GST will improve the over-all fairness of the tax system, that lower and modest income Canadians will be better off once the GST is in place. How can that be when the Standing Committee on Finance, at its hearings across the country, has literally had welfare groups and social interest groups from one coast to the other denounce it as being a flagrant tax grab that will position than they are today?

Even the Deputy Minister of Finance admitted that many low and middle income Canadians will be worse off when the GST is put into place. That is from a deputy minister. How can we ever believe that this government was actually concerned about the welfare of low and middle income Canadians?

In another segment of gallantry, the Minister of Finance also promised that: "Sales tax reform will eliminate the hidden tax in the prices consumers pay". But again, reality stands in the way of believing the words of the minister. The government is going to allow these retailers to state whether the tax is to be included in the price or is going to be added separately when the item is purchased. The government cannot have it both ways. It cannot say it is not going to be a hidden tax and then, at the same time, leave it to business to determine whether it is going to be a hidden tax or not.

These are the things we were told before election day. We were told this so that it would not become an issue, so that the government could feather out this whole question of the sales tax to make it palatable for Canadians so they would not ask questions. Whenever a question was asked the government came out with an answer that it thought we, in the Liberal Party, or Canadians wanted to hear, not the truth. That was not the important thing. It was getting through the election campaign and telling people what they wanted to hear. Then, once the election was over, sock it to them.

Mr. Robichaud: Good-bye Charlie Brown.

Mr. MacLellan: Good-bye Charlie Brown is right.

Another infamous document, the White Paper on sales tax reform states: "A good sales tax should not impose heavy compliance costs on business or create undue administrative costs for government". Well, what have we seen? What we have seen is that small businesses are going to be devastated by the cost of complying with this tax. We are going to impose upon small business a tremendous tax. We are going to impose on business in this country a $2 billion cost to comply with this goods and services tax. The president of the Federation of Independent Business, a former friend of the government, is now saying that the allowance that this government is going to pay to small business is not going to come close to compensating small business for the cost of having to comply with this tax. But this government is saying: "Well, that is the only thing we can do. The present 13.5 per cent tax on manufacturing is not working. We have to find an alternative and this is the only alternative." This is what is being forced down the throats of Canadians. It is unacceptable. If it were true, it would be unacceptable. The tax we have now is certainly better than the one this government is going to gouge from the Canadian people.

• (1140)

How do we know that this government has done its homework? Every indication seems to indicate that it has not. The Minister of Finance will stand in his place and say: "We tried to get it worked in with the provincial sales tax, but the provinces would not agree". I am afraid that the Canadian people have taken a poor second place to the government's determination to maintain its honeymoon, such as it is, with the provinces.

Can you, Mr. Speaker, just picture the Minister of Finance saying to his provincial counterparts: "We do not have to impose the GST. Why do we not work together and try to work it all into one national sales program? You do the collecting and we will split the revenues," and the provinces saying: "Stick it in your ear". Then the Minister of Finance says: "Oh, well, I tried". That would be end of the dialogue.

That is the determination that this government has tried to work on developing a national sales tax. What do we have? We have this complete and utterly unworkable situation, gouging the Canadian people, costing small businesses millions and billions of dollars to try to implement and put it into place, not to mention the additional public servants that we are going to need to bring it about and enforce it.

The government, by its own admission, says there are going to be over 2,500 new public servants. That is only what the government admits. We know from experience what the government admits we can multiply by quite another number. It is not acceptable by any stretch of the imagination.

I think it is time, and I think that Canadians feel it is time, that the job of the opposition, and certainly of the Canadian people, is to remind the government of what it is supposed to be doing, to remind the government that it made commitments prior to the election; that it has obligations that it has to honour; to remind the Prime Minister that the mark of good government, Mr. Speaker, is not how well you cozy up to big business, but how you represent the people of this country. It is a challenge to this government of restoring decency, honesty and integrity to government. For this government, that is going to be one heck of a big job. But the sooner it does it, then the sooner we are going to be able to get this country back into the profile we want it to be, the profile it used to have.

Right now the government is going in the other direction. It is taking all of its time, and all of the money it can get its hands on, to convince Canadians that they should want something that they do not want. The government has spent $20 million on an ad campaign to try to force down the throats of Canadians the acceptability of the goods and services tax. Canadians have listened. Canadians have heard. Canadians are repulsed by what their own government is trying to do. The Canadian people will not accept the line of advertising and the line of "hoi polloi" and hocus-pocus that this government is putting forward.

This is not going to be another free trade debate. The Canadian people now know what the free trade arrangement has meant to this country. They now know that they cannot believe what this government wants them to believe.

Let us make no mistake, Canadians from sea to sea, regardless of economic status, background, party affiliation or ideology, reject this tax completely and utterly.

In just the few short months since the technical paper on the goods and services tax was released thousands of petitions have been signed and registered. There have been letters to the editors in all of our national newspapers. Members of Parliament of all political affiliations have received hundreds of letters in total, denouncing this goods and services tax and the protests are not diminishing. We have heard the petitions today. We have heard the voice of Canadians. It says: "Don't implement this goods and services tax. It is not acceptable". Canadians are fed up with being taxed to death while this government squanders the money that being paid in taxes on things that are in its own political interest and to the advantage of its own political cronies. We saw this during the last e lection campaign with the money for ACOA, a five-year program, almost all spent in the election campaign. Not one year's worth of funds spent, not two, but three, four, maybe even five years' funding spent in an election campaign to try to buy the votes of Atlantic Canadians. Well, we saw what happened.

This government is misreading Canadians. Canadians want fair government. They want good government from their representatives. They do not want to be told and convinced of something they do not want. When they tell the government they do not want something, they do not want this government to yet again try to convince them that it is in their best interests and what a wonderful thing it its.

In the history of this country there have been few proposals that have received such massive opposition as has this GST proposal. It is overwhelming as a member of Parliament to speak to people. In a recent poll it was determined that 80 per cent of Canadians are opposed to this tax. Yet, the government forges on, trying to convince Canadians of what a wonderful thing it would be. It is trying to cut a hole through a wall of water and the government is going to be oblivious to the torrential downpour that is going to come down on top of it.

This is yet another case of this government not listening, not wanting to listen to the people of Canada. It is a completely, utterly flagrant abuse of democracy. We have the Prime Minister and the Deputy Prime Minister stating that they have something that they want to force Canadians to accept, but 26 million people or 80 per cent of the 26 million are saying no. A few members in the government are saying yes, and to them that is the democratic process that they are going to force down the throats of Canadians. They expect Canadians to say one morning when they wake up: "My goodness, I was wrong all along about the GST. What a wonderful thing it is".

Well, Mr. Speaker, if you believe that that is going to happen, then there is a bridge in Brooklyn I will sell to you at a very reasonable price. The opposition to the GST will not collapse. It has not even begun to waver. Canadians refuse to be coerced into accepting something that they do not feel is in their best interests or is even going to do what this government says its is going to do. This is in spite of the millions that is being spent to try to force this upon Canadians.

• (1150)

The manufacturers' sales tax as it exists right now at 13.5 per cent, as the government would say, is the only alternative. It is not the only alternative.

The people of Canada feel that the government has not managed the country properly and they are not going to accept this completely oppressive and obscene tax, knowing that the Government of Canada has no conception in its own mind of how to manage the economy.

What this government wants to achieve through this advertising campaign is a great example of what George Orwell in his novel *1984* put forward when he talked about double speak, which was the tool of big brother. Once again we have double speak by the Minister of Finance and by the Prime Minister. Just last month we saw double speak in action, in a way that I think big brother would have been very proud.

The Minister of Finance on Monday, September 25, introduced new terminology to the English language. He spoke of the goods and services tax as being a "fairness package" and having "fairness features". If it wasn't so pathetic, it would almost be funny.

The Minister of Finance referred to the goods and services tax as a "fairness feature". Doesn't that sort of makes you warm and tingly all over, to think that our government is going to put forward a fairness feature. Perhaps what he means is that Canadians will not suffer abject poverty. If Canadians do not really suffer abject poverty, are not completely down and out, then this tax is fair. If he leaves them with a few loonies in their pockets, then this tax is fair.

That is not what Canadians think is fair. In fact, even with the minister's fairness feature, which is his tax credit, 300,000 families living at the poverty level right now are going to be worse off. That is his fairness feature. Sure, he is going to give a few dollars back to the people, but only a portion of what he is taking away from Canadians, who can least afford to lose this money. The reality is the fairness feature tax credit that the Minister of Finance is going to give back will still require an average family of four, two parents, two children, with an income totalling $45,000 a year to pay $629 more in each tax year.

The minister referred as well to the fairness feature tax credit for business to help them recover the cost. I have already referred to what small business thinks of that. As I stated earlier, this fairness feature is just going to give small business back a portion of the amount that they are going to have to pay to collect this tax.

Canada will be the only country in the world with two different sales taxes, a sales tax provincially and a sales tax federally. Imagine the complications that this is going to cause to small businesses.

Why then, in view of the problems that this tax is going to create, is this government constantly subjecting the people of Canada to psychological manipulation? Why is it trying to force this down the throats of Canadians? We have seen the saga of the Standing Committee on Finance, led by that redoubtable crusader, the chairman, flying across the country speaking with Canadians, insulting them one by one as he goes, leaving a trail of bad feelings and complete disgust everywhere he lands.

It was the dubious privilege of the Atlantic provinces, just a few days ago, to have this caped crusader in their midst, the Batman of politics. He landed in Newfoundland and when witnesses came before him he kept saying: "Hurry up, hurry up, I have got to catch a plane. I cannot listen to all of this". He did not tell them, of course, that the plane was at his disposal and the plane would only go when he said it could go. He was pushing Canadians. He had allowed two days for the four Atlantic provinces on an issue as important as this. He was not even going to hear from the tourist industry of Nova Scotia. He still did not hear testimony from the Canadian Federation of Independent Business, an organization that represents 8,000 businesses in Atlantic Canada. This is the Batman that we talk about. I am telling you that this Batman may be fortunate to be able to hang from the ceiling of a cave by his feet when the people of Canada go looking for him.

This is insulting to the people of Canada. Yet, why is this being done? Why is all this attention being directed to our fearless crusader who is going across Canada and to the Minister of Finance? I suppose the more attention that we can attract to these fellows, then the more heat is taken off the Prime Minister. What a wonderful ploy.

If we were to look at the last five years of this government, we would find it very difficult to sum up exactly where it has gone because it has been like a balloon flying through the air with the air coming out of it. It has been zigzagging all over the place helter-skelter.

We cannot look at this government as having any concern for Canadians. We cannot give it a tag which says that this is a government that really is interested in the people of Canada. We cannot do that because it is not true. We cannot say it is the government of the depression years or the war years. Probably the best tag we could give this government would be related to the $1 piece that it brought out and call them the "loonie years". That is really what it amounts to.

There is nothing in this government for the people of Canada other than abuse and absolute misleading policies, redundancy, and absolute abandonment of principles. Why? Because this government is interested in following the course of the United States, marching in lockstep with the government of the U.S. as if it really believed that it knew where it was going or even where the Government of the United States was going.

I think it is interesting to read the October 23 edition of *Time* magazine. The cover story relating it to the American government states: "Is Government Dead?" There is a little caption saying: "Unwilling to lead, politicians are letting America slip into paralysis". This is what we are following?

Is it not evident that this is exactly what we are following? Before it is too late, we must start to pull this country together, to develop a financial package and a financial program that is going to help this country, not to completely and forever take Canadians into the wilderness and try to convince them of something that every Canadian knows is not helpful and is not true.

Before it is too late, will this government do something decent for this country? Will it do something decent for Canadians? Will it be honourable enough to develop policies that are going to help Canadians and not try to destroy this country?

The Acting Speaker (Mr. Paproski): I would just like to bring to the attention of the House that we are on Standing Order 43. The first two speakers had unlimited time. The next speakers will have 20 minutes plus 10 minutes for questions and comments.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, on behalf of the New Democrats, I want to join the opposition to this bill which is really a product of the budget, and reflects so much what was in the budget material, and follows the pattern set by the Conservatives ever since they were first elected in 1984.

• (1200)

Certainly the trend was established before that. It was bad enough before, this continuing process of loading more and more of the cost of maintaining government services in Canada upon the lowest income people, upon the middle income people, and relieving those at the top of the heap from paying their fair share. It was bad enough before 1984, but the process has certainly accelerated in every budget since the Conservatives produced their first budget after the 1984 election.

Their whole thrust, it would seem, has been to get revenue out of the people's pockets by adding on to consumer taxes of one kind or another. The estimate that we have produced is that up until this budget they have taken an extra $900 in tax from the average Canadian family between the years 1984 and 1988 through sales and excise taxes alone. It is part of the pattern that existed before but has been increased since to get more and more of the government's revenue from such taxes.

The increase in the sales tax on construction materials, equipment and building materials from 8 per cent to 9 per cent is an increase in the rate of tax of 12.5 per cent. That begins January 1, 1990. The increase in the sales tax on alcoholic beverages and tobacco products from 18 per cent to 19 per cent begins on April 28. An increase in the sales tax on telecommunications and programming services from 10 per cent to 11 per cent begins June 1, 1989, another increase of 10 per cent. There has been an increase in the sales tax on all other goods to which it applies from 12 per cent to 13.5 per cent, the manufacturers' sales tax. That is an increase of 15 per cent in the rate of tax.

This is the tax that other members and the Minister of Finance himself have referred to as the silent killer of jobs. It would seem as though the minister felt that he has done enough to kill jobs in Ontario, so he is increasing the rate of taxation alone by 15 per cent and making all the rest of the country pay the cost of his attempts to keep the lid on what is happening in southern Ontario.

Our estimate is that in this one budget alone the increases in sales and excise taxes is going to add another $500 per family on to the $700 that the Conservatives have already levied against every average Canadian family.

Consumption taxes are unfair. I think everyone will agree with that. Even the government will lend some measure of agreement to the idea that taxes should be based on the ability to pay and should not simply be a general sales tax.

There are other methods. We have talked about them during the budget debate. We have talked about other methods the government could have used to increase its revenue, if increasing its revenue was the main aim of the government in the first budget after the election campaign. We mentioned several of them. I mentioned several of them myself.

There is still some 50,000 profitable Canadian corporations that will be paying no tax even under this budget. There are very wealthy, high income individuals who because of the various allowable tax expenditures will pay no tax in spite of the increases. There is no point putting a surtax on an income tax if the individual is paying no income tax to start with.

I am not opposed to the idea of putting a surtax on the income of wealthy individuals, but I am opposed to them not paying the tax in the first place, the tax upon which the surtax can be levied. To talk about making it fairer by bringing in a further tax on consumption, the goods and services tax of course is the greatest misleading statement of all.

The increase in the federal services tax from 3 per cent to 5 per cent I cannot find too upsetting. It is another personal tax increase, and we have always argued that it should be based on the person's ability to pay. People who are paying that kind of income tax can pay the other surtax.

An additional 3 per cent for individuals with incomes over $70,000 will begin July 1. When you add that to what is already there, that will mean they will be paying an 8 per cent surtax. Those are the people who can afford to pay more revenue to the government.

On the other hand, when we look at the pattern of what the government has done, we realize that in the five-year history of the government it has reduced the maximum tax for people with incomes over $100,000 by $3,500 and, even after putting this increase into effect, those people will still be paying less income tax than they were when the Conservatives were first elected. It is obviously unfair.

It is part of the process of putting the weight more and more on the lowest income and on the middle income people and of continuing to provide relief to those with the highest incomes. They have done nothing to close the loopholes that exist for the 6,250 individuals in the highest income tax brackets who have not been hit by this government, indeed who have been relieved.

Other legislation is before the House that I might just refer to briefly. The shift from general revenue to premiums for regionally extended UI benefits adds another $1.7 billion tax on payrolls. For individuals with maximum insurable earnings this will mean a direct tax hike of about $90. It is another way of loading the cost of government upon the lowest and middle income people so that it will not be necessary to hit those at the highest levels.

A large corporations tax is to be levied on corporate capital in excess of $10 million, creditable against the existing 3 per cent federal surtax on corporate income. At least it is getting something, but we have to realize that this is not a minimum tax on corporations. Like the capital tax on banks, it taxes assets, not profits, and it will only apply to 3,600 corporations leaving tens of thousands still not paying corporate tax.

Speaking of banks, I recall the concern expressed by the banks or at least by the people who were buying bank shares before the last budget. They expected the government to come in with a new tax on banks and trust companies. Unfortunately that did not happen and the price of bank and trust company shares went up markedly in the market the next day. They were expecting to be paying some $4.1 billion—that was the finance minister's own figures—but it did not happen. His explanation was that it was going to be too difficult to administer. So easy to get more money out of the people at the bottom of the heap, so difficult to administer some new tax that is going to hit the wealthiest of all corporations in Canada. I wonder why it was so difficult.

They took a little bit off the corporations. They hit a few of them. They go to the bottom again and they hit small business. There is an increase in the effective small business tax rate from 12.4 per cent to 12.8 per cent and an increase in interest charges for overdue income tax payments of individuals by 2 per cent, which is simply following the increase in the prime rate that perhaps has had the greatest effect on the budget. Without that the deficit this year could have been substantially lower than it was the year before.

I recall that during the election campaign we expected the deficit to be $28.9 billion and then we found out when the budget came down that the latest figure was $35.5 billion, an increase of $6.7 billion in what the deficit was expected to be. It was totally attributable to the increase in interest rates and there would have been a substantial reduction had interest rates not increased so much.

They are passing some of that on to the people who are behind in their income tax instalments. Still, there is nothing to go after the $36.1 billion in deferred income taxes corporations have been allowed to postpone. As some of them say, they do not expect ever to pay it and, as some have argued, we cannot really collect that because it is never going to be paid. Yet, the corporations are able to claim this, to report it.

We could at least—I have argued this before as have others on our side of the House—charge interest on that deferred corporation tax. As long as it is sitting there on the balance sheets, let the Conservatives get some interest from it and let them get it at the same rate as they are getting it from individuals at the bottom of the heap. But I do not expect that to happen. That is contrary to the direction in which the government has been going since it was elected some five years ago.

• (1210)

According to the National Council on Welfare, sales and excise taxes have been the predominant source of new tax revenues since the Conservatives came to office, reflecting a 55.5 per cent increase in the revenue from those sources. The contrast is that revenue from personal income taxes increased by 33 per cent since 1984 and from corporate income tax by 17.7 per cent, not that the rates have gone up but rather that there had been that much more money or inflation. That is why the amount has increased.

The government should have followed up on what it was saying. It should have tried to make the tax system fairer. A more appropriate target, rather than going after the people at the bottom of the heap, would have been to have gone after the $30 billion patchwork of tax credits that are allowed to individuals and corporations.

The government then comes up with this proposal of bringing in a new tax system that is supposed to be fairer, the goods and services tax, and once again, going after the people at the bottom of the heap. I know that what I have said on this subject previously has been quoted in the House and has come back to me. I think that some of it bears repeating from my mouth as opposed to coming from somebody else's.

The goods and services tax, as it now stands, is not a fair way of getting more money from the Canadian public. We should be going to the individuals and corporations that have it, that can afford it, that are earning the incomes and are not paying tax at an appropriate rate.

There was a proposal which came out some 22 or 23 years ago in a report that was three years and a couple of months in the making, the Carter report. The report had good proposals for making the tax system fairer. As a matter of fact, the proposals were going to be so good for the people in the low and middle income brackets and so fair for the ones at the top that neither the Liberal nor the Conservative governments paid any attention to that report since. The Conservatives might well go back and look at that, if they want to be fair, to see whether there should not be for the first time in the history of Canada a truly fair system of getting revenue for government services.

The goods and services tax is not fair. The lower the income, the higher proportion of income one will pay in this tax. The government says we are going to mitigate that by having a system of credits, but we are going to make sure that we keep getting more money out of the lowest income people because that tax credit is not going to be fully indexed, only partially.

That way year by year, while the people in the lowest income brackets are getting credits paid to them, nevertheless they will have them clawed back each year through the government's failure to fully index these payments.

There is another way. I have spoken of this before and I am going to try it again. The government said that it was really going to be great, that it was going to give the credit every three months. It was not going to make us wait until the end of the year. Mr. Speaker, I do not know if you have any people in your riding who are on welfare, or whether you have ever had any experience with this, whether you have ever known anybody in that circumstance, but they are operating on a pretty tight budget. To have to wait for three months to recover the money that they spent on the first day after they got the previous cheque is asking a bit much of them.

A lot of single parents with very low incomes, raising families, trying to educate them, are going to be asked to somehow or other budget so that three months from the latest one they will get another cheque from the government to reimburse them for the cost of paying the GST. They are getting other payments every month. Is it that difficult to pay them monthly rather than quarterly?

I am not speaking in favour of the system. I am still opposed to the fact that it is not fully indexed, but there ought to be a way of getting those cheques into the hands of the consumers who need them so desperately more frequently than once every quarter. I hope that plea will not fall on deaf ears. I do not suppose we really know the answer to what the government is going to do about groceries. On the face of it at the moment it looks as though the most exotic of foods, if you buy them in a grocery store, will be tax-free. I hope I do not offend anybody, but if you buy the lowly hamburger in a fast food outlet you pay tax on it. Now it is the lowly hamburger that provides so many meals for families that cannot afford anything else. In some cases it is cheaper to buy that hamburger in a fast food outlet than it is to prepare it at home, though the quality would be a lot better at home. Nevertheless it is more economical. Those foods are taxed the way the system is now while the most exotic of foods bought in a grocery store will not be taxed. That is not fair.

People who have the means and are close enough to the border to drive across and load up with groceries will not be paying any tax on anything they bring in that way. If you cannot get across the border and have to buy goods in a store on this side—I am not talking now about groceries; I am talking about all goods generally—then you pay tax. That is not fair. There has to be a better way of handling it.

I recall reading a story when I was in the Victoria legislature written by someone in Montreal who was talking about various stock markets across Canada. Does anybody in the Vancouver exchange have a hope of making a profit? The average investor has better odds of making a profit if he bought Lotto Canada tickets. Yet that is tax-free. You can play that kind of gambling where a lot of money changes hands by the people who can afford it and pay no taxes, but if your mother goes out and plays bingo for an evening she pays taxes. That is not fair. If one form of gambling is going to be taxable then the other should be as well. Indeed it should be the other way around if anything.

The GST is supposed to be visible. Well it is like taxing the banks. It is difficult so we abandoned that idea. Anything that the government does not want to do, it says it is too difficult. If it means that the people at the bottom of the heap will know how much tax they are paying as compared to those at the top who do not really care, then it is difficult because the government does not really want to do it. The government does not really want them to see a cash register tape which identifies the amount of their income that is going to that tax. It is too difficult so it will not be done.

It is supposed to be revenue neutral. As we read the material that has come out recently we see that some $5.5 billion will be available for deficit reduction. Well that is not fair. It is not intended to be fair. We said from the beginning that it was intended that this would help reduce the government's deficit. It is so much easier to do it by taking more money from the people at the lowest and middle income brackets through this goods and services tax than it is to reduce the interest rate.

Then of course labour is supposed to carry the brunt of it. Its members are supposed to be the good people. They are supposed to say: "We know it is in the interest of government as a whole. We recognize we are paying more than our share, but we are not going to ask for any increase in wages to make up for this shortfall". It is not fair to go to that group in our community and say it has to pay the cost of the government's mismanagement of finances.

There are better ways of getting more income from the people who can afford it. The government should abandon this excise tax bill and come back with a proper plan that will get a higher proportion of its revenue from those who are best able to afford it.

Mr. Hovdebo: Mr. Speaker, sales taxes are regressive and consumer taxes are regressive. They have an adverse effect, as the member has indicated, on the people who are least able to afford them. They also have a much larger adverse effect on regions that are remote from the central areas, because the very process of putting on taxes increases taxes for those who are further away from the source of the product in many cases.

• (1220)

I would like the member to comment on the impact of this particular series of budget tax increases on those areas that are somewhat remote and how those areas will be affected by not only this tax in this particular bill but the goods and services tax generally.

Mr. Stupich: Mr. Speaker, I think we have all heard stories of various groups coming before the finance committee and talking about the expected effect of this goods and services tax on their communities. It is not just a matter of the final point of levying a 9 per cent tax on the cost and saying that it will cost 9 per cent, the same as it will cost the people in Toronto or wherever. We know it does not work that way.

We know that the 9 per cent will be added at every stage including the cost of transportation, the cost of maintaining the structure of the transportation system, of getting goods particularly to the more remote areas of the country. It is easier to point to them because it is so obvious that the effect is very marked in these areas. Certainly the closer you get to Toronto the less it is, and the worse it is each step you get farther away.

When you get into the northern areas of the country or the most extreme east or west ends of the country, the cost of the goods has increased so much by that time. Transportation is only part of it. Financing it and the structure of the organizations that are doing it all cost more the farther you get away from the centre. The 9 per cent is applied to that total so the GST will be even more unfair with respect to the people who live farther away from the centre of activity than it will be here in Ottawa or Toronto.

Mr. Wilbee: Mr. Speaker, I would like to congratulate the member for a very rational approach to the problem. Of course I disagree with him in many areas.

One thing that the people have been talking to me about in my constituency of Delta is the fact that government is not cutting costs enough. The member seemed to be disturbed that part of the proceeds from the GST were to cut the deficit. I would ask him just where his party would plan on cutting government expenditures.

We often hear about the costs of government and that they object to raising taxes. We cannot have it both ways. I would ask the member just what his party would do to reduce government expenditures in its policy.

Mr. Stupich: Mr. Speaker, I mentioned one method during the course of my presentation and that was the very high cost of interest in the deficit. Some $34 billion or something was the interest bill for last year. It is so high because of the government's determination to keep the value of the Canadian dollar up, no doubt as part of the free trade deal.

Certainly one way to reduce the cost of government would be to reduce that interest rate and save some $3 billion for every point that the interest rate was reduced. It is not an insignificant sum.

The member has never heard me talk in generalities about reducing the cost of government. I have sometimes quoted Sir Anthony Eden when he was Prime Minister. He said that everyone is in favour of general economy but not particular expenditures. It is easier to talk about ways in which we would like the government to spend more money. Certainly with respect to general economy, reducing the rate of unemployment by creating more employment opportunities would reduce the cost of government substantially. One way of doing that would be to reduce the interest rates.

From my point of view the biggest thing the government could do would be to reduce the interest rate. It would affect not just the cost of interest, but it would also get the economy moving in other parts of the country. It would reduce the costs of unemployment and make a bigger contribution to our economy if the government could just bring itself to forget about the free trade deal to the extent of letting our interest rates drop, at least down to the point where they were some years ago when there was just a four point spread between us and the United States.

Mr. Skelly (Comox—Alberni): Mr. Speaker, over the past 30 years it seems that the proportion of the tax burden in this country has shifted dramatically. Some 30 years ago, 50 per cent of the burden was paid by corporations, 50 per cent was paid by individuals. It seems that over 30 years of successive Liberal and Tory governments that burden has now shifted to the point where 80 per cent of the tax burden is paid by individuals, much of it through consumption taxes such as the one we are dealing with today, and 20 per cent of taxes are now paid by corporations. There seems to have been a dramatic shift in the direction of forcing the burden of taxes on to individuals in this country.

At the same time there has been a parallel development. Ownership of the Canadian economy has been more and more vested in a very small group of people or a small handful of holding companies. Diane Francis mentioned in her book *Who Controls Canada* that something like nine families and a small handful of holding companies control 50 per cent of the assets on the Toronto Stock Exchange, so the economy is very tightly held. Even El Salvador is owned by 14 families. Canada's economy is even more tightly held than the economy of El Salvador.

I am wondering if the member can suggest to us ways in which, by redistributing the tax burden in this country, we can also redistribute the ownership and democratize the ownership of our economy so that more Canadians can feel that they own our economy and have a democratic interest in the directions that our economy is going. Has the member any suggestions in that direction?

Mr. Stupich: Mr. Speaker, this ties in to the question by the hon. member for Delta when he was asking what expenditures could be reduced.

The expenditures we could reduce are the tax expenditures. The ones that made it possible for the very situation described by the member for Comox—Alberni to happen. It has not been anything else other than succeeding Liberal and Conservative governments making it easier for the wealthy individuals and the wealthy corporations to avoid paying income tax through various tax expenditures, all legal. They have steadily shifted the load, as I said during the course of my remarks earlier, from corporations and wealthy individuals to people in the lower and middle income tax brackets. They are the ones who are paying through this system of tax expenditures for corporations and individuals.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I feel very privileged to be able to stand here this morning and speak on Bill C-20. This bill contains the legislative amendments required to implement the federal sales tax and excise and duty changes announced in the budget.

This government proposes a 9 per cent goods and services sales tax to replace what it deems to be a regressive and economic liability to Canada in the 13 per cent federal sales tax. The federal sales tax was 9 per cent when this government took over in 1984. If it was so hurtful to our economy, why was it increased from 9 per cent to 10 per cent, to 11 per cent, to 12 per cent, and now to its present 13 per cent? It does not make sense. The Prime Minister called it a silent killer of jobs, yet he went ahead and increased this silent killer of jobs.

The government's opening speaker this morning commented on how this tax will help reduce the deficit. Is this something new we have been hearing recently? When it was originally proposed, there was no mention that this goods and services tax would help reduce the deficit until a few people, other than those on the government side, started checking into it and suddenly realized that there were billions of dollars in excess revenue over what was required from the FST that would be earned. So the government finally had to admit that it was not revenue neutral. I guess Canadians are saying, "Can this government ever make up its mind?"

• (1230)

We all went through an election in the fall of 1988. Unfortunately, nothing was mentioned except free trade. There was no mention at all that this country was faced with the largest deficit it has had in its history, that from 1944 to 1988 that deficit had doubled in size. There was no mention of this at all by the government. Yet here we are now into the Thirty-fourth Parliament, and all of a sudden the government is finally coming clean and saying that there is a serious problem with regard to the deficit and that we must reduce it.

I think that all of us as concerned Canadians are interested in reducing this deficit. But in 1991, if this goods and services tax goes ahead as planned by the federal government, Canadians will pay a new tax whenever they make purchases from a wide range of goods and services. The new sales tax, for most Canadians, will be applied in addition to the existing provincial retail sales tax, especially here in Ontario—I guess in all provinces except Alberta—with which they are now so familiar.

The proposed GST will also be a new experience for businesses. Today some businesses collect and remit retail sales tax, while those which produce or import manufactured goods collect and remit the federal manufacturers' sales tax. There are still, however, numerous enterprises which never see the current taxes directly because they never sell nor buy taxed products at the retail level, nor do they produce or import manufactured goods. This tax would then dramatically affect the way in which sales tax revenue is collected at the federal level.

The GST, as outlined in the August technical paper, is predicted to generate $24 billion in 1991, this amount being based on the rate of 9 per cent. Of this total revenue, about $18.5 billion would replace the revenue lost by the elimination of the existing MST, which by 1991 would have been levied at a rate of 13.5 per cent for most products. The remaining $5.5 billion would be returned to taxpayers in one form or another. By far the most important element in this regard would be the greatly enhanced sales tax credits. The existing system of credits would have cost $1.2 billion in 1991, and the proposed credits would cost about $3.6 billion. The difference of $2.4 billion was be financed by GST revenues. Finally, about $2 billion in revenues would be transferred to individuals and provinces as a result of the GST's impact on the price level.

The introduction of the GST is expected to raise prices by about 2.25 per cent. The remaining $200 million in GST revenues is slated to pay for additional administrative costs which include hiring at least 4,000 people to administer the GST.

There are many arguments both for and against. As the most recent poll has indicated, 80 per cent of Canadians say that there are more reasons against than for initiating this GST. As I stated earlier, all Canadians are concerned about our deficit and all Canadians will gladly find measures to reduce that deficit, but this is not the way to go. This is what they are saying. They are saying it in spades, and I think it is high time that we started listening.

The argument against revenue neutrality is further strengthened by noting that the federal government, in proposing a reform of the sales tax, has recognized the serious problem associated with the erosion of the MST base. The 13.5 per cent MST rate might well be viewed as untenable over time. Rather, it is only a temporary measure until such time as the GST can be put in place.

Tax expenditures are increasingly being substituted for program expenditures and loose interpretation of the concept of revenue neutrality allows tax base measures to be unnoticed in a way that expenditure measures could not be. By stressing the alleged revenue neutrality in the tax reform, the government is pointing out that there are structural problems inherent in the present tax system which need to be addressed. But these are two distinct issues and, unfortunately, the government is confusing them.

Let us look at the case of two sets of adults living together, one couple married and one couple living common law. The married couple would be entitled to a maximum GST credit of $550 which would be reduced on the basis of family income. Each individual of the couple would be entitled to an adult credit reduced on the basis of individual income. Rather than having the credits start to diminish at $24,800 of total income, as in the case of a married couple, their credits might not start to diminish until total income reached $49,600 if both adults earned the same amount.

In addition, the unmarried couple would be treated as single individuals. The common law couple would then be entitled to two tax credits. In other words, members of this House, it is far more beneficial tax-wise to live together as an unmarried couple than it is to live together as husband and wife. Now I think that is disgraceful.

We know there will be an impact on housing and, undoubtedly, housing accounts for the single largest expenditure made by families. This is true whether one rents or whether one buys. The GST would impose a 9 per cent tax rate on the retail price of a new house purchased from a developer. Thus, the GST has the potential to increase the price of new houses substantially. To offset this impact the government is proposing to rebate up to one-half the GST otherwise owing, subject to restrictions on the price of a house.

Clearly the tax implications of the shift to a GST would vary across Canada since house prices vary greatly. As the technical paper notes, home buyers in Toronto would face the greatest adverse effect of this change. The imposition of the GST on new housing would then raise house prices and confer a windfall profit on owners of existing housing.

On rental accommodation, in 1991 or later all aspects of the construction of a building would be subject to the GST, as would the cost of the land. Long-term residential rentals would be exempt from the GST. No tax would be collected on these rents and the landlord could not claim an input tax on any GST paid.

The introduction of a new and larger tax on new construction should raise rents across the land. As the tax drove up the prices of new apartments, some demand would shift to old apartments. But an increased demand for older apartments could not increase the fixed supply, obviously so the consequence would be fully reflected in price hikes in that market also.

The GST is a value-added tax rather than a sales tax. A sales tax can be thought of as a tax on a transaction rather than a tax on a product. Thus a provincial sales tax might be applied to a product numerous times. Think of an automobile which is sold new and taxed and later resold through a dealer and taxed again. This kind of multiple taxation should not occur with a GST type of value-added tax.

Why then would used products be taxed under the GST? There are several reasons. Used goods compete with new products and are often sold by the same retailer. If one were taxed and not the other, compliance costs for the seller might increase and an opportunity for tax evasion might present itself. Taxing one and not the other might also distort the relative prices of the two types of goods, especially if an untaxed source of used goods, say through imports, were available. As, well the sale of used goods often involves the creation of some value-added, and by taxing this sale that value-added can effectively be taxed. It is confusing stuff. I do not know who the heck is going to understand and know what to tax and what not to tax.

• (1240)

Last week I spoke on the GST and how it would affect municipalities. It is going to have a very, very grave effect on them. I will not go into this again. The municipalities have only one way of raising taxes, namely, through the property tax. What this government is doing is looking for revenue from municipal government, a government that is not able to raise its revenues. And yet, this government wishes to make gains on the backs of a municipal government.

In conclusion, the provinces are almost faced with a *fait accompli*. Ottawa plans to introduce unilaterally a sales tax of 9 per cent. It is obviously going to have a serious effect on provinces because there is already a sales tax in all of them except Alberta. The provinces would have to bear the full weight of resentment toward a tax of between 9 and 18 per cent. But even more important for the provinces, their refusing to participate in this sales tax leaves the federal government on its own to carry the borrowing of the money.

The intent of the goods and services tax is to provide the federal government with an efficient alternative, so it says, to the MST. Efficiency would be achieved by taking a fairly broad base, thereby minimizing distortions and consumer choice. By crediting the tax paid on business inputs, the GST is also intended to remove from capital and thus enhance productivity. I do not think it is going to do any of these things. It is going to have one of the most deleterious effects on the economy of this country. We know it is going to raise the inflation rate. We know it is going to raise the interest rate. We know there is going to be a slow-down in business. Why, oh why, is this government insisting on it? Eighty per cent of Canadians say "stop" say "no". For goodness sake, let's listen to them.

[*Translation*]

Mr. Gagliano: Mr. Speaker, first of all, I would like to congratulate the Hon. Member on her speech and on her grasp of the subject of the goods and services tax. She has really done her homework and understands the problems involved.

I think it is somewhat ironic that today we should be talking about tax increases and this particular tax, when this is the first day of Small Business Week in Canada. My question is directed to the Hon. Member, who I know has many small businesses in her riding, and I

wonder whether she could tell the House about the attitude of small businesses in her riding. What does small business think of the new GST, the new tax on goods and services? I think everyone in this House agrees it will be an administrative nightmare.

Mr. Speaker, with your permission, I would like to hear what the Hon. Member has to say about small businesses in her riding.

[*English*]

Mrs. Gaffney: Mr. Speaker, I thank my colleague for the question. One of the things that I have done in my riding is to try to analyze the business community's attitude toward the GST. I did that by circulating a copy of the government's pamphlet on the GST to every business in my riding. I, in turn, also circulated the Liberal response, the opposition party's response, to the government's proposed goods and services tax. This way I was providing them with both sides of the spectrum, the government's side and the opposition's side. I was not trying to influence the business people, I was allowing them to make up their own minds with the information presented.

I also asked that if they felt, as we on this side of the House feel, that it was going to hurt business, would they sign a petition which I would be pleased to present in the House of Commons. These petitions are coming in on a daily basis. The small business community in the riding of Nepean is very, very concerned about the business tax.

There is not enough rebate being allowed to small business. The paperwork is going to be horrendous. The costs are going to be horrendous but much more important the community is telling me that business will suffer, and suffer badly. People see a definite downturn and I feel quite confident in standing here this morning and saying that I am speaking for the majority of the small business people in the riding of Nepean in that they do not wish to see this GST imposed upon them. They cannot afford it. Many have told me that they will literally be forced out of business.

Mr. Hovdebo: Mr. Speaker, the budget on which this particular Bill C–20 is based is an illegitimate budget to start with in that it gave advantage to people across the country who are in the privileged position of knowing what was in this budget before it was presented to the House of Commons. Consequently, people had opportunities. We do not know much about that. Therefore, we should consider Bill C–20 an illegitimate bill in itself. What it does is increase, as the member put forward, the tax in areas which are already regressive. Would the member give us some indication of how she feels the direction is impacting on her particular constituency?

Mrs. Gaffney: Mr. Speaker, there are probably several ways in which these will be impacting upon my constituency. I have mentioned the business people. Maybe it was in a previous speech, I forget, but the senior citizens of our country are probably the people who are most concerned and will suffer the greatest with the GST. I have had literally hundreds of calls and hundreds of letters in my offices. Some are from the adult population in Nepean saying that they will not be able to afford it.

One senior said to me "My wife and I have raised a large family. We worked hard. We never took a holiday. We never wanted to leave our children." He had an average income, and told me that they had never bought a new car but bought Canada Savings Bonds because they believed in Canada. They did this consistently for years until their children were grown and through university. Here they are at a stage in their lives—they are both retired—when they can afford to take that holiday south. They can afford to buy that new car. Their income is over the $50,000 range and they are saying to me, "I will sell my Canada Savings Bonds. Why should I keep them? I will sell my Canada Savings Bonds and reduce my income so that my old age security pension cheque is not clawed back." I do not blame those senior citizens. I can guarantee that this government is going to lose billions of dollars through people selling their Canada Savings Bonds or through the non–purchase of new bonds. I think that will have a dreadful effect on all Canadians.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I appreciate the opportunity to speak. I can look into the future. I know you did not know that but that is it.

I see on bookshelves across Canada a story of "the taxingest government in the history of Canada" or maybe a book that is named "the grabbiest government in the history of Canada".

This chapter of Bill C–20 is chapter 7 of the grabbiest government in Canada's history. If you look over the last five years of government, you will see that chapter 1 was the initial budget. Actually it was not a budget.

• (1250)

It was a statement by the Minister of Finance, who started the process of increasing the taxes for the people of Canada, reducing the taxes for the corporations of Canada, and developing a system which impacts particularly on those who can least afford to pay taxes.

Chapter 7, Bill C–20, is an act to amend the Excise Tax Act, and an act to amend the Excise Act. It sounds dull and sounds innocuous, but the taxpayers are going to find it a particularly interesting chapter because it amounts to one more tax grab. We have indicated on many occasions that any kind of sales tax, any kind of consumer tax, is a regressive tax. This book that I am speaking of started during those last four years. It started increasing the very taxes that are being increased again today in this particular bill.

I can list for you, Mr. Speaker, if you want to hear them, exactly what each of the tax increases were over those five years. Do you want me to do that, Mr. Speaker?

The Acting Speaker (Mr. Paproski): Not particularly.

Mr. Hovdebo: I am not sure that I want to do it either. In any event, this chapter is peculiar as well as interesting. As I said a few moments ago, the budget on which the bill is based, is an illegitimate budget. The leak of the budget gave many people in privileged positions information which they could use to their advantage. Never in the history of Canada, in the history of parliamentary governments, has that been allowed. Whenever it is found that somebody had a previous and early look at a budget, the indication was that it should not be passed. Therefore, it would be withdrawn. But not with this government.

The idea of taking advantage of a budget is not acceptable in a parliamentary government. This particular government did not seem to want to remove its budget from the books. It has gone further by bringing in Bill C–20 to further take advantage of not only the lower–income Canadians, but those on welfare and those without any income because the moneys they get will not go as far in keeping them alive.

The arrogance of the government is expressed very succinctly here. We have had no change. Surprisingly, the government made no real attempt to justify the fact that it had allowed people to take advantage, or allowed the situation where people could take advantage, of the budget. It made no effort to justify that. Consequently, we have here an illegitimate budget and an illegitimate bill. But the arrogance of this government is such that we are forced to look at this as if it were a legitimate operation.

Let us have a look at Bill C–20. I live in northern Saskatchewan, and I have spent a considerable amount of my life in northern Canada, places like Inuvik, Whitehorse in the Yukon, and in northern Quebec. I recognize that there is in this particular budget a far–reaching impact that is much greater on remote and northern areas than there is on downtown Toronto or Ottawa, for instance. There are a number of areas in which the taxation in Bill C–20 will have a direct impact upon the people of the Yukon or Northwest Territories. It increases the tax on fuels, on aviation fuel. One of the real differences between the southern part of Canada and the north, and you do not have to go too far north to recognize this difference, is the cost of fuel for travel and for heating. This bill increases the cost of fuel. It increases the cost of fuel by increasing the tax on that fuel. Consequently, it is a tax which is much greater on those northern, remote areas of the country. Transportation costs are greater to get the product to those places and this additional tax has been added to that cost.

Tourism is a major industry in many northern parts of Saskatchewan, Ontario and British Columbia. Tourism is a major industry in all the northern parts of Canada. This tax is going to increase the costs of all of the tourist industry across the country. It is going to increase the costs by increases in the cost of gasoline, fuel for ground transportation as well as air transportation.

It is not as if we did not know the impact of this kind of a tax. Last year, the government put on a communications tax. That is the kind of tax we are looking at now, a communications tax on every long distance telephone call in these areas. If you live in a northern community and you want to talk to your doctor, to your school about your children's progress, or to somebody who is going to supply you with gasoline or parts for whatever your industry happens to be, you are going to call long distance. If you live in Ottawa and you want to do any of these things, not one of those calls will be a long distance call and there will be no tax on them. But if you live in a northern community you will pay 10 per cent on every call that you make for every substantial item that you require to survive. That is an increased tax on northern

and remote communities much greater than the 1 per cent increase on gasoline. But it is an increase which is there and it behooves us to look at it. It is the same kind of tax as the GST. It is going to be on all products and it is going to impact on northern communities much more than southern communities.

I will continue after Question Period.

The Acting Speaker (Mr. Paproski): The hon. member from Saskatoon—Humboldt will have ten minutes in his debate plus ten minutes for questions and comments.

It being one o'clock I do now leave the chair until two o'clock this day.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

HUNGARY

Mr. Tom Wappel (Scarborough West): Mr. Speaker, 33 years ago on October 23, 1956, the flame of freedom briefly burned to light the darkness of Stalinist Hungarian communism.

The freedom fighters were just that, men and women who fought to bring freedom to their beloved homeland. The world watched with bated breath as a handful of patriots dared to challenge the mighty Soviet giant in pursuit of democracy and human rights. Despite promises made, the western world stood by while they fought on valiantly, courageously, heroically, to the death. The blood of these patriots seeped into the ground but was not forgotten.

Now, 33 years later, the tree of democratic reform has begun to bear fruit, thanks to the nourishment it received from those who fought and died in 1956.

Much is happening in Hungary today. Reforms thought impossible only a few years ago are enacted almost daily. We in Canada and the western world watch with hope. But we must also be ever vigilant that the fruits of the sacrifices of the freedom fighters will not be spoiled by renewed repression.

* * *

IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, on October 5, the Minister of Employment and Immigration announced that she had lifted the moratorium on deportations of Haitians. She said she believed the political situation in that country had returned to normal since a great wave of violence disrupted the November 8, 1987, attempt to hold elections there. Therefore,50 rejected refugee claimants are to be deported from Canada to Haiti, the first one tomorrow.

For decades, Haitians were terrorized by the Duvalier regime. Since 1986 they have had four successive governments installed by force of arms.

According to the June 1989 Overview on Haiti published by the Immigration and Refugee Documentation Centre, human rights violations continue under the latest regime. These include torture, extrajudicial executions, disappearances, arbitrary arrests and detentions.

The Tontons Macoutes still roam Haiti, possibly sanctioned by the military government.

I call on the minister to read the Immigration and Refugee Boards's report and to talk with Amnesty International before returning Haitians to risk death.

* * *

NATIONAL TRANSPORTATION AGENCY

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I am pleased to announce that the National Transportation Agency has today issued Order No. 1989-R-326 apportioning costs for the reconstruction of the overhead bridge crossing the CN lines near Truro, Nova Scotia.

This bridge is in a serious state of deterioration and has had its capacity reduced repeatedly to the point where it cannot legally accommodate any more than a light truck. Everyone involved agrees that the bridge must be replaced immediately. The tracks in question divide the community of Salmon River right down the middle and are a barrier for school buses, ambulances and firefighting equipment.

I now call on all the parties involved, including CN, the National Transportation Agency, the province of Nova Scotia and the municipalities to work together to ensure that construction of the new bridge begins immediately and this problem is brought to a logical and safe conclusion.

I commend the National Transportation Agency for its determined efforts which have resulted in this order today.

* * *

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, today is the first day of the week dedicated to small business. The government has selected the following slogan for this occasion: Grow today for tomorrow.

The government's cynicism is truly incredible, Mr. Speaker. It talks about growth for Canadian small businesses, when it is trying to impose a tax on goods and services, the GST, that will be a nightmare for small businesses.

[*English*]

I ask this government to withdraw the GST. That would be the best way to show that it cares for small business, which in the last 10 years has accounted for 93 per cent of the new jobs in the private sector.

[*Translation*]

Small businesses are the motor of our economy, Mr. Speaker. During the past ten years, small business created 93 per cent of the new jobs in the private sector.

If the Conservative government is anxious to defend the interests of small businesses, it should immediately withdraw its new goods and services tax.

[*English*]

COMMUNITY FUTURES PROGRAM

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, the Minister of Employment and Immigration has shown her commitment to the riding of Elk Island through the Lamont-Two Hills Community Futures Program. Community Futures is geared to helping workers in communities which have serious economic problems but show potential for growth.

In order to maximize a community's economic potential the program is guided by local board representatives who assess community needs and recommend support for business development, skills training or job relocation.

As part of the program, the Lamont-Two Hills Business Development Centre will receive $400,000 in federal funding to continue assisting small business in the area. During its first year 11 businesses were either started or maintained through the technical and financial services available at the centre. As a result, over 28 full-time and part-time jobs were either created or maintained.

Community Futures is solid evidence that the Government of Canada is committed to our rural communities.

* * *

NATIONAL UNIVERSITIES WEEK

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, this year's National Universities Week, which ended yesterday, caused Canadians to think about what universities mean to Canada's future and to realize that investment in our universities is at risk.

University classrooms are overcrowded. Professors have less time for individual students and existing research grants are insufficient. Yet advances in science and technology—particularly in medicine, biotechnology and communications—depend on university education and research.

Thus, I welcome the inclusion of education on the agenda of the upcoming First Ministers' Conference, considering that education has not been discussed at these conferences since 1973.

However, I am concerned because education will merely be one item among many to be discussed during only half a day of the two-day conference.

A First Ministers' conference should be convened which will focus specifically on the topics of education and research, to adopt a definite commitment to fund them so that we will experience a budget boost in this area instead of a budget blow.

* * *

THE ENVIRONMENT

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, countless Albertans from all walks of life have expressed their concerns to me about the environmental impacts of the proposed pulp mills for northern Alberta. Edmontonians have written letters, telephoned and expressed their concerns directly to me.

The federal government and the province of Alberta have embarked on a joint environmental review. The review panel is presently holding hearings in towns throughout northern Alberta. This forestry investment will have major social, economic and environmental impacts on the whole of Alberta. Yet the review panel will not be holding hearings in Edmonton or Calgary.

All Albertans are subsidizing the forestry projects. All Albertans own the resources of the province. Debate must be encouraged, not discouraged.

I call upon Alberta Environment Minister Ralph Klein and the federal Environment Minister, the member for Lac-Saint-Jean, to ask the review panel to at least hold public hearings in Edmonton. All of Alberta is affected. All Albertans must be heard.

* * *

SMALL BUSINESS WEEK

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I rise on the occasion of Small Business Week, October 22 to 28, to express the New Democratic Party's recognition of the vital contribution of the small business community to Canada's economic growth and well-being. It is significant to note that in the past 10 years almost 70 per cent of all new jobs have been created by small businesses, many of which have less than five employees.

How ironic that Small Business Week—this celebration of entrepreneurship in Canada—takes place at a time when the continued economic viability of the small business community is under attack by the federal government's proposed goods and services tax. The GST will effectively turn individual small businesses into Revenue Canada tax collectors, forcing small businesses to carry the overwhelming burden of administering this tax. The GST will add to the mountain of paperwork already faced by small businesses and will substantially increase accounting costs.

I would suggest, Mr. Speaker, that Small Business Week is an appropriate time for the government to demonstrate its commitment to small business by withdrawing the proposed goods and services tax.

* * *

[*Translation*]

CANADA POST

Mr. Guy St-Julien (Abitibi): Mr. Speaker, once again, Canada Post wants to terminate the local air service that carries perishable goods to the Inuit and Cree in New Quebec. Although it has not announced its intentions publicly, Canada Post has already increased postal charges by 30 per cent, 45 per cent and even more. The situation will become critical after November 13, 1989, and will have a direct impact on consumers in Northern communities. This is a complex situation which concerns Canada Post, the Department of Indian and Northern Affairs and the Department of National Health and Welfare.

If the government is trying to save money, it is in fact creating more serious problems that will affect the health and well-being of Northern residents. Mr. Speaker, this is another instance of people being unfairly penalized, compared to those living in southern communities.

* * *

• (1410)

[*English*]

VIA RAIL

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, in a major snow storm on Friday, 36 centimetres of snow fell, paralyzing northern Ontario between Marathon and Sault Ste. Marie for more than 24 hours.

Northern Ontario residents were denied access to any road or air travel. The only transportation system operating for those residents was VIA Rail.

Had this taken place on January 16, 1990, the day when the VIA Rail cuts come into effect, the residents of northern Ontario would have been left without any means of transportation whatsoever, and this will happen in this year. This government obviously did not consider the weather of northern Ontario in its decision to eliminate the Canadian and the CP line which services close to 400,000 people.

Friday's storm illustrates all too well that this government has chosen to isolate these communities because of, for lack of a better word, a stupid decision. The people of northern Ontario implore this government to change its mind before it is too late.

Do not stop passenger rail service in northern Ontario, depriving the people in Wawa, White River, Marathon, Terrace Bay, Schreiber, Nipigon, Red Rock, Hurkett, Dorion, McKenzie, Thunder Bay, Ignace, Dryden, Kenora and many, many small communities of less than 500 people of passenger rail service because it will be eliminated.

* * *

EATING DISORDER AWARENESS WEEK

Ms. Barbara Greene (Don Valley North): Mr. Speaker, today marks the beginning of Eating Disorder Awareness Week.

The National Eating Disorder Information Centre is working to sensitize Canadians to the serious health hazards associated with such disorders as anorexia nervosa, bulimia and overeating.

Anorexia and bulimia are reaching epidemic proportions across Canada, affecting one in five college women and an increasing number of men. Between 10 and 20 per cent of anorexics die as a result of their eating disorder.

The National Eating Disorder Information Centre and the Bulimia and Anorexia Nervosa Association are working to help Canadians combat the low self-esteem and other psychological, physiological and societal factors that lead to these disorders.

The Minister of National Health and Welfare along with all hon. members supports these organizations in their endeavours and wishes them every success in their education campaign this week.

* * *

OFFICIAL RESIDENCES

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, now the National Capital Commission wishes to establish an eighth official residence in Canada, this newest one for the Chief of Defence Staff.

This proposal comes at a time when the federal government is preaching restraint, at a time when we have thousands of homeless, at a time when our soup kitchens are overflowing. What will be next? Will the Clerk of the Privy Council want a residence? What about the Deputy Minister of Finance, or perhaps even the chair of the National Capital Commission?

We see the government dismantling the national infrastructure with cuts to VIA Rail, the CBC, the privatization of Air Canada and the refusal to aid municipalities in their problems with infrastructure decay. We see this government failing to prepare for the future by drastically cutting back on research and development and weakening environmental legislation.

Yet it seems to think that these things do not matter as much as subsidized housing for the Chief of Defence Staff. For a government that is constantly calling on Canadians to tighten their belts, we never see a sign of it doing this. It seems to have removed its own belt so as to lash out at Canadians. I demand that it put it back on, tighten it and begin to look at important issues affecting all Canadians.

* * *

[*Translation*]

SMALL BUSINESS

Mr. Jean-Marc Robitaille (Terrebonne): On the first day of the tenth annual Small Business Week in Canada, I want to take this opportunity to salute millions of Canadians who take risks in order to start small businesses.

Mr. Speaker, since 1984, more than 150,000 small businesses have been created each year in Canada, and according to a recent study, more than 65 per cent survived the first three crucial years.

Four Canadians out of ten employed in the private sector work for a small business. In fact, 80 per cent of the new jobs created between 1978 and 1987 were in the small business sector.

Mr. Speaker, these figures spear for themselves and demonstrate the vital role played by small businesses in Canada's economy. The federal Government is aware of this contribution, and that is why it has done more than any other government to help small businesses in the past five years.

Mr. Speaker, this government firmly believes that in Canada, small business is big business.

* * *

[*English*]

INTER PARES

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, Saturday's *The Globe and Mail* displayed a front-page photograph of the Prime Minister and his spouse sitting in a rickshaw. Below the photo was the caption "riding in style". The imagery is an anachronism. It speaks volumes of this government's insensitivity toward the developing world.

Does the Prime Minister know anything about rickshaw drivers and the poverty in which they live? Rickshaw drivers are among the poorest people in the world. The development organization Inter Pares was doing something about the impoverished state of rickshaw drivers. Most drivers must rent the rickshaw from fleet owners at exorbitant prices.

Three years ago Inter Pares set up rural co-operative workshops in Bangladesh to enable them to become self-sufficient. This is what real development means.

The Prime Minister's budget put an end to the Inter Pares project. This Canadian organization is now looking to Europe to continue financing the co-operatives.

It is a sad day indeed when a Canadian organization running a successful program must appeal to other governments to keep development projects alive. I hope the Prime Minister left a big tip. Undoubtedly the driver could use it.

ORAL QUESTION PERIOD

[*English*]

ENERGY

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources.

Last week, the minister indicated in this House that the supply of natural gas reserves in this country were so vast that despite the NEB approval to export 9.2 trillion cubic feet we would have no problems for future energy security.

That statement has now been contradicted by a senior official in his own department who said that the minister's comments and assessments were, in fact, academic and meaningless because of the difficulty of developing these resources for economic needs.

Under these circumstances I would like to ask the minister this. Is he prepared now to revise his comment, revise his advice to cabinet and give a commitment in the House today–that the cabinet will not approve the NEB decision until there can be clear evidence provided that this export of natural gas will not endanger the security of energy supply for Canadians?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, in reference to what I said in the House those figures taken from the Geological Survey of Canada. The 9.2 tcf were placed against the 11.65 tcf of known and proven reserves of up to 56 tcf which was given by the Geological Survey of Canada. In fact, I have been given figures today by the Geological Survey of Canada which puts both numbers even higher.

The issue that we are dealing with is the question of how much of that gas is extractable in deep water conditions as well as northern conditions. That I think can only be determined if and when there is a pipeline application by either a company or a consortium of companies and the conditions that they would place.

What the NEB did with the export licence application last week—on the basis of the reserves that it had proven and the amount asked for on the application—was approve from its perspective an export licence. As I said, the GSC has figures today that could put them even higher than the figures I gave last week.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, the issue is much simpler than that. It is whether we will be putting at risk the security of energy supply for Canadians. It is the responsibility of the cabinet to make that decision.

I ask the minister specifically, will he commit that before any further development or decisions are taken that the government will provide publicly to this House a clear indication of what the level of reserves are, and that it will not provide any approval of an export licence or permit until it can prove that there is sufficient reserves for Canadians and that they will not be put at any risk by this pipeline application?

• (1420)

Mr. Epp: Mr. Speaker, the member and I both know that cabinet has to approve the export licence.

Mr. Gauthier: That is the weak link.

Mr. Epp: If the Whip is speaking about a weak link, I am sure he lives with it personally every day.

I am saying that cabinet will have to examine the export licence. I say to the Hon. Member that the NEB in its mandate obviously has to take a look at reserves, as well as the applications before it.

I say to the hon. member as well that he should be careful in assessing the matter as he did in his question because it goes back to the National Energy Program. The underlying argument of the National Energy Program was that if it was kept in the ground we were going to maintain reserves, and we were going to maintain the 25 year figure for Canadians in terms of security of gas.

I think all of us recognize that the activity in the oil and gas fields and the reserves are best increased if we allow that activity, which will also allow the cash flow that is needed in order to have further exploration and to have reserves built up.

I guess what I am saying directly to the member is that the plan of the NEP did not increase reserves. It gave a false sense of security about reserves in the future. It did not give us the reserves that we have now.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, we are not arguing about the NEP. We are arguing about the NEB, and the decision to authorize an export permit which could put energy security at risk.

As the minister clearly knows, because of the free trade agreement any export to the United States—including the 9.2 trillion cubic feet—would increase the level of exports to the United States to close to 60 per cent of our normal reserves.

Does the minister really believe that the best interests of this country are served by locking away in perpetuity 60 per cent of the natural gas energy reserves of this country to another country? Is that really defending the security and best interests of Canadians?

Mr. Epp: Mr. Speaker, I do know what helps with the security of supply. One way is to have activity in the gas and oil fields. A second way is to give a return to those who are doing the exploration. Third, Canadians will have to re-examine in terms of long-term contracts that they have access to that gas.

If the hon. member looks at the export licence that was granted by the NEB, he will note very clearly that the NEB put down conditions whereby before an export contract could be granted to the United States, Canadians would need to have access to that information and to that gas as well. I say to him that I believe the market-place is the best place in which to have this function. It functions best with the NEB putting forward the conditions that it did on the export licence.

The last point that the hon. member should know is this. Before there is going to be any export, it will be based on a pipeline application. Those conditions are going to be raised and caveats obviously will be considered by the NEB to maintain security of supply for Canadians.

He should recognize, as I think all of us do here, that we cannot and should not consider that after the number of years we have been in the frontier we can simply continue having exploration and delineation without finally bringing that gas down and having the cash flow we need.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is to the Deputy Prime Minister. The Prime Minister has repeatedly said that no major economic initiative will be undertaken until the government has a complete environmental assessment.

Now that the National Energy Board has given preliminary approval to the export of 9.2 trillion cubic feet of natural gas from the Arctic, will the minister guarantee that the Prime Minister's word will be honoured? Will there be a complete public review before the export licence is given approval by Cabinet?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I think we have to differentiate again as to what happened. What happened with the NEB was that it had before it an application on an export licence and approved 9.2 trillion cubic feet.

What the hon. member is relating to, I would think more logically, is that when a pipeline application is made and heard by the NEB a full environmental assessment is done, as we have done on every other megaproject, whether in the north or for that matter any other part of Canada. It was done with Hibernia and Lloydminster. It will be done in the north if, first, an application for a pipeline is made and, second, a pipeline application is approved. It is at that stage that the environmental questions, the socio-economic questions, and the land claims questions all come into consideration. They will then have to be discussed and evaluated by the NEB.

Ms. Callbeck: Mr. Speaker, this is potentially the largest export of energy in the history of our country. My question is quite simple. Is there going to be an environmental assessment? How is it going to be carried out? I think this issue is important enough for the future of the north and for the future of all Canadians.

Is the government going to take this environmental assessment more seriously than it took the one on VIA Rail? In other words, is the Prime Minister's word going to be honoured this time?

Mr. Epp: Mr. Speaker, if the hon. member looks at the record with respect to energy projects, she will find that an environmental review was done on OSLO, Lloydminster and Hibernia. In fact, the point that I make to her is that in every one of those projects, as well as if there is any pipeline bringing gas down from the frontier, there have to be the environmental assessments as well.

The answer to the environmental question is, yes. But I say to her very directly, do not confuse a pipeline or potential pipeline with an export licence.

ACCESS TO INFORMATION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is to the Minister of Finance about government secrecy.

Last Friday, the minister confirmed that he would not release the 500-odd pages of documents about economic forecasts in 1988, made prior to the election for the year 1989. That answer was just not good enough.

I want to know today from the Minister of Finance why he promised the House of Commons on October 10 that we could have the information when nine days later he was denying the information to the House of Commons. What happened between October 10 and October 20 that made the minister change his mind? Is there all of a sudden some new version, the Wilsonian version of the truth in this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, nothing changed from October 10 until last Friday. If the hon. member looks back to what I said on October 10, he will see I said that the information that the applicant was entitled to would be released. That is what has been released to the applicant.

Mr. Nystrom: Mr. Speaker, it was the party across the way with Walter Baker and Ged Baldwin which was so concerned about openness and secrecy in government many, many years ago.

What I want to know from the minister is this. Since I filed a request for access to information in March for the government's communications plans for its budgets of 1985, 1986, 1987, 1988, and for its plans for the White Paper on Taxation last year I want to know why he turned down that application in June. Why do we still not have that information? Why is he also withholding information on the unemployment insurance cutbacks from this House? I want to know why he is not forthcoming. Why this secrecy? Will he stop playing his silly little games and be open and honest with the people of Canada?

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre) Mr. Speaker, I would have to review the particular reasons and the content of the application for the turndown which was given, as he has referred to, in June. I do not have that information readily at hand.

What we are looking at here is a very important principle of parliamentary responsibility. That is that the minister is responsible for the management of his department. The minister is accountable to Parliament for the management of his department.

Along the course of those activities of managing the department, there will be information and advice provided by the public servants to the minister to allow the minister to do his job, to carry out his responsibilities. He is not bound to accept all the advice of deputy ministers, nor is he required to hide behind the advice of deputy ministers. Those decisions have to be made each time decisions are taken. But it is absolutely essential that there be confidentiality of the advice between the deputy minister and the minister so that that free flow of information will continue. It is on that basis that the access to information provides for the confidentiality of that information.

• (1430)

Mr. Nystrom: Mr. Speaker, that is just not good enough. We are really seeing a Wilsonian version of the truth, and I can tell you that even Conservative back-benchers are upset with him.

I will give him a third try. The minister, according to his own calculations, said that at least one province will suffer a negative impact under the GST.

I want to know today whether or not the minister will confirm that that province is Alberta, give us the dimensions of the negative impact and, while he is on his feet, tell us whether or not he will release all the documents pertaining to the impact of the goods and services tax on all 10 provinces and both territories in this country?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the hon. member is quite aware that I have been very open in all the dealings that I have had with Parliament and I will continue to be very open in all the dealings that I have with Parliament.

The hon. member has made reference to the impact of the GST on the provinces. I have commented on that in a general way in this House. I have also said that we do have a tradition in our dealings with the provinces to discuss information with them before we go public with it in order to ensure that the information that is released to the public is not misleading. Until we have that discussion with the provinces, no, I am not prepared to make the information available.

[*Translation*]

Mr. Douglas Young (Gloucester): Mr. Speaker, the Minister of Finance is aware that the vast anti-GST coalition is growing every day. My question for the Minister of Finance is this: Is he prepared to acknowledge today that the government's proposal to tax goods and services has been rejected by people across the country, and is the Minister of Finance prepared to put an end to the confusion of consumers and the uncertainty created in the private sector by withdrawing this terrible tax?

[*English*]

Hon. Michael Wilson (Minister of Finance): No, Mr. Speaker, I am not prepared to withdraw the goods and services tax. We have put forward a technical paper. The finance committee is hearing comments on that technical paper.

I think the hon. member will agree with me that there is broad agreement that we must move from the existing manufacturers' sales tax, which is deeply hidden in the production process, and move to the goods and services tax. People have disagreements with this. Some say there should be no exemptions and others say there should be exemptions, and many people have said they would like a lower rate, but there is no agreement whatsoever on how to get the rate down. Some say we should reduce the credit while others say the credit is not large enough, it has to be increased. Some say reduce the housing rebate and others say the housing rebate is not large enough.

Clearly, the disagreement with our proposal is on both sides of the proposal. I believe that the package that we have put on the table represents a very carefully constructed balance and a balance that is proving itself as we hear these recommendations from other people.

Mr. Young (Gloucester): Mr. Speaker, my supplementary question is for the Minister of Finance.

Speaking about being on the table, the Minister of Finance has insulted his counterparts, the provincial Ministers of Finance of the provinces across this country, by saying they are playing political games with the goods and services tax.

Canadians do not believe for a moment the minister's contention that the provinces rejected a national sales tax proposal. Just to make sure we can make the record very clear on this, my question for the Minister of Finance is the following.

If, in fact, the provinces rejected the government's national sales tax proposal in April, would the minister make public the proposal that was rejected by the provincial Ministers of Finance? Then we will know who is telling the truth in this matter.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, we have been working with the provinces since the early part of 1987, discussing all aspects of the goods and services tax. At the stage that we are talking to the provinces, we are talking about a federal–provincial tax which has a large number of the attributes of the goods and services tax that is in the technical paper proposal today.

It became very clear from the comments that have been made in the past week and last August when the premiers met that the provinces do not have any sense of urgency, any real desire to move ahead with a goods and services tax proposal. When we saw that that was the case, and because of the very real sense of urgency that we have as a federal government to move away from an existing tax which is broken and which the finance committee of the House of Commons agreed on two occasions had to be changed, on that basis we felt we should move ahead with a federal only proposal.

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PUBLIC ACCOUNTS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, recently the Deputy Prime Minister sent a letter to the chairmen of the various House of Commons standing committees referring to the deficit and requesting that the chairmen submit any ideas that they might have on deficit reduction. However, as chairman of the Public Accounts committee, I did not have the honour of receiving such a letter.

Why did the Deputy Prime Minister fail to send a letter to the chairman of the Public Accounts committee? Is he afraid that he might get some constructive suggestions from this committee which, after all, is the watchdog committee of the spending of this government?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I wish to apologize to the hon. member. I did not snub him deliberately. I assure him that we follow the deliberations of the public accounts committee on an ongoing basis.

If the hon. member feels so disposed to offer some suggestions, I will certainly receive them with a great deal of interest and gratitude.

Mr. Hopkins: Mr. Speaker, I thank the Deputy Prime Minister for that answer. The Auditor General's report will be tabled in this House tomorrow. It will be permanently referred to the Standing Committee on Public Accounts, as is the custom.

Will the Deputy Prime Minister give this House and all Canadians a commitment that this watchdog committee of the public purse will be given the free and independent role that it has exercised historically in the Parliament of Canada? Will he assure us that no road blocks will be put in the committee's way as we witnessed to a degree in the early stages of this Parliament?

Mr. Mazankowski: Mr. Speaker, I can certainly give the hon. member that assurance. Unlike the former Liberal government that red circled a number of staff positions and categories that the Auditor General had and reduced the number of people that they had at their disposal to do the job properly, I can assure him that we will not take that course of action.

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PROPOSED GOODS AND SERVICES TAX

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, the Minister of Finance said just a moment ago that it is becoming "very clear" regarding the GST. I agree with him. It is becoming very clear every day that middle and low income Canadians will, under the proposed goods and services tax, fall farther and farther behind each year because of the caveat that tax credits will only be increased if Canada's inflation rate is more than three percentage points. Even government members of the finance committee are quoted as recognizing that low and middle income Canadians will be hurt.

Will the minister finally acknowledge the truth and agree the GST will hurt low and middle income Canadians, or is it going to take us five years under the Access to Information Act?

Hon. Michael Wilson (Minister of Finance): I have to fundamentally disagree with that. The goods and services tax does not hurt low and middle income Canadians. Those same people will be receiving a rebate cheque four times a year amounting to $275 per adult, $100 per child.

That is quite different from what was the case with the sales tax system that we inherited five years ago. In 1986 we introduced the notion of a rebate, a refundable sales tax credit. We have increased the size of that and the number of people who will receive that rebate by a large amount. In fact, the total amount of the rebate will be $3.6 billion.

• (1440)

That is a clear indication to Canadians that we are concerned about the impact of sales taxes on low-income people, but we are also acting to protect those same people.

Ms. Langan: Mr. Speaker, I remind the minister that even his back-benchers would disagree with him on this point. I would like to point out to him that the only number increasing is the number of poor and working poor Canadians who are already heading for the overloaded food banks as more of their income is eaten up by this tax.

Is this government committed, through taxation of the poor, to make the food banks the fastest growing banking chain in this country?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think the hon. member is concerned that the indexation is CPI minus three.

She should understand also that we have made a commitment to review this on an ongoing basis and adjust that low-income threshold as is appropriate. We started off the refundable sales tax credit with a low income threshold of $15,000, we increased it to $16,000, then to $18,000, and now with the GST proposal to $25,000. Surely she can understand that we are being responsive to the needs of the same people she is talking about.

Basic groceries are not under our proposal, that is food that is acquired by food banks, and will not be subject to tax. Clearly, we have the interests of lower-income people in mind as we constructed this proposal.

* * *

[*Translation*]

CANADA POST

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister responsible for the Canada Post Corporation.

Major changes are being made by Canada Post with respect to the shipping of perishable goods to Inuit and Cree communities in the northern areas of Abitibi and Manicouagan.

Mr. Speaker, my question is as follows: Could the Minister tell me today whether a meeting could be arranged, between now and the end of October 1989, between this department, the Department of Indian Affairs and the Department of Health and Welfare, and economic intervenors representing the Cree and Inuit, for the purpose of hearing their claims and finding a solution that is in the best interests of Northern Canadians?

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I will certainly ask the managers at Canada Post to participate in such a meeting.

I should point out that Canada Post has already met with Makivik and the *Fédération des coopératives du Québec* during September. In terms of any other meetings on this issue, I will certainly ask the post office to co-operate and I am sure it will co-operate.

* * *

AGRICULTURE

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, the United States Secretary of Agriculture recently expressed that the United States has a long-standing desire to increase subsidy disciplines on Canada. This government has already allowed the United States to discipline our pork producers, milk producers and our fish industry, unjustifiably. Now the United States wants to discipline our Canadian Durum wheat producers.

Will the Minister of Agriculture stop allowing our resource industries to be bullied by the United States and start objecting to their subsidies, or is he going to continue to accept these unfair United States trade law actions that supersede the free trade agreement?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I can say to the hon. member that I believe the charges made by the Durum producers of North Dakota are totally unjustified and patently false.

The fact of the matter is that the United States has a much higher level of subsidy paid to its wheat producers and Durum producers than does Canada, by about $40 to $50 a tonne. That has been calculated and agreed to under the auspices of the free trade agreement. The fact that there have been significant shipments of Durum to the United States is the result of a lack of high quality Durum in that country and the fact that we have been able to produce it in a very efficient manner. We have penetrated that market because of our high quality and because of the demand.

If there is any issue that has to be contended with, it is the United States continued use of the export enhancement program and its non-commercial credit terms, which are very generous and which in effect distort the market-place in grains and oilseeds in the world.

Mr. Ferguson: Mr. Speaker, on October 16 the Canadian farm leaders, through a letter to the minister, asked him to look into this issue. The Alberta wheat pools, the Saskatchewan and Manitoba pools and the Canadian western wheat producers pointed out what the minister has just said, that the United States has higher subsidies than do the Canadian producers.

When will the minister stand up for Canadian farmers and start disciplining the United States for its programs, particularly the export enhancement program that is taking away Canadian markets in other countries, while at the same time protecting its domestic markets in the United States?

Mr. Mazankowski: Mr. Speaker, I am sure the hon. member will agree that the United States authorities can see and can listen. I have made our position very clear. We have made very clear through our embassy contact in Washington the facts of the matter. We have made strong representations to the United States in that regard.

I might just add in passing that the Secretary of Agriculture in the United States shares the view of the hon. member and me. He has been reported as saying in a headline in the Manitoba *Co-operator*: "Yeutter says Durum sales not unfair", meaning Canadian sales to the United States are not unfair.

That is a clear recognition of the fact that their subsidies are at a much higher level than ours. There is a clear indication that, because of quality and short supply, we have penetrated that market. It demonstrates to the people of the world that Canada can compete with the best of them, and we will continue to do it in the future as we have in the past.

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[*Translation*]

NATIONAL CAPITAL COMMISSION

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, in the latest Mulroney-Wilson Budget, funds for the National Capital Commission were cut by $5 million, so it had to reduce some of its operational activities.

Closing the Gatineau Parkway between Taché Boulevard and Gamelin Street in Hull makes no sense, since the road network in the area has not been completed and this decision will result in major traffic problems for the people of the Outaouais.

Can the Minister tell me, Mr. Speaker, whether he will review this decision which is unduly harsh and, furthermore, is unacceptable in the circumstances?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, on behalf of the Minister of Public Works, I will take that question as notice and get back to the hon. member as soon as possible

[*Translation*]

Mr. Rocheleau: Mr. Speaker, could the Deputy Prime Minister tell me whether the Minister responsible for the National Capital Commission will be able to give me an answer in the next few days to this question which is very important for the people of the Outaouais?

[*English*]

Mr. Mazankowski: Mr. Speaker, I will give that undertaking to the hon. member. I will consult with the minister as soon as he returns, and perhaps he can contact him personally.

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FISHERIES

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I have a question for the Minister of Fisheries and Oceans with regard to the free trade panel decision on our fishing regulations.

The minister has had 38 days since the release of the preliminary report; 23 days remain before we have to make a decision. Can the minister give to the House, and to the thousands of industry workers whose jobs depend on this decision, some indication of the government's plans in this regard, or will we have to wait, as we are still waiting for the preliminary report, until the Americans tell us?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the question is not unlike several questions we answered last week. The Minister for International Trade has returned to the House. He would have been the appropriate one to answer the question.

• (1450)

The hon. member is very concerned about the clock ticking, but I think he wants us to ensure, even more so, that Canada makes the right decision in this matter. When we have decided, the hon. member will learn the outcome.

Mr. Stupich: Mr. Speaker, I will direct my supplementary question to the Minister for International Trade.

The Minister of Fisheries and Oceans has heard from the processing companies and from the union to the effect that they would prefer to compensate the Americans rather than give up our right to control and manage our own resource. They say we must continue to land all of the salmon if we are going to have proper control. The benefits to Canada exceed any penalty.

Can the minister support this option as an alternative to knuckling under to the Americans?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I am glad to return to the House, but I find it has not improved much while I have been gone as far as the quality of questions are concerned.

With respect to the hon. gentleman's question, there are a number of options being looked at. The panel that was appointed under the free trade agreement, which consisted of a Canadian chairman, two Canadian representatives, and two American representatives, found that our regulations were supportable as regulations in aid of the conservation practices.

In accordance with the decision, we are looking at the options. It is suggested that there is an option about compensation. I am afraid it is not as easy as the trade might have us believe, that we could simply propose some small amount of compensation to the Americans that they would accept, but that is an option that is being looked at.

A decision will be taken that will be in the public interest, and in the interest of the fishermen and fish processing workers of British Columbia.

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AGRICULTURE

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, my question is for the Minister of Agriculture.

I understand that some U.S. farmers have raised concerns over a perceived threat to their market by Canadian Durum wheat. In fact, North Dakota farmers may be airing their complaints and their desire to close the border to Canadian Durum imports to Sam Gibbons, trade subcommittee chairman in the near future.

Can the minister tell the House what we can do to stop such unfounded and unfair U.S. aggression?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as I indicated earlier, the charges that the U.S. Durum farmers are making against the Canadian producers are totally unfounded and unjustified. There is about a $40 to $50 differential in support for Durum wheat in favour of the United States. That has been clearly ratified under the auspices of the free trade agreement.

The markets that Canada has penetrated in the United States are largely due to the result of a shortfall in high-quality Durum wheat. We have a lot of it, and we are going to continue to penetrate that market in a fair and proper manner.

We have made representations to the United States authorities and we will continue making those representations. As well, we will continue to pressure the United States to stop using the EEP program and its non-commercial credit programs which have distorted international trade on a large scale.

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TORONTO HARBOUR

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it seems to me that it is the quality of the answers that improve every time the Minister for International Trade is absent from the House.

My question is for the Minister of Public Works, or his substitute, on the subject of the Crombie report on the future of Toronto's waterfront. The report offers hope that millions of Canadians living between Oshawa and Burlington can secure and regain access to their greatest ecological asset, namely Lake Ontario.

Last week Premier Peterson was reported as stating: "Not an office tower, a condominium, or even a tool-shed will be constructed without provincial agreement". Unfortunately, this veto on development cannot apply to federally owned lands.

Will the Government of Canada also place a similar veto on development on the large block of lands administered by Harbourfront and the Toronto Harbour Authority, lands which, as we all know, are ultimately owned by the Canadian people?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, as the hon. member knows, the plans that he refers to with the province of Ontario and Harbourfront are two separate issues. The Harbourfront situation has had a freeze on its development for some time now, and what we refer to as the pipeline projects.

There have been negotiations with the city of Toronto regarding Harbourfront and those negotiations are coming to a conclusion in the very near future. An announcement will be made at that time as to the future of Harbourfront.

Mr. Caccia: Mr. Speaker, the hon. minister should know that under the authority of the Toronto Harbour, there are 1,200 acres. These come finally under the jurisdiction of the federal government.

Therefore, my question again, which I hope the minister will answer, is the following. Will the Government of Canada undertake to place the same development freeze on federally owned land under the Toronto Housing Authority so as to permit the proposals in the Crombie report to become a reality? Will he undertake at least that?

Mr. McDermid: Mr. Speaker, I apologize to the hon. member. There is a difference between Harbourfront Commission and Harbourfront, as he knows. I thought he was referring to Harbourfront and not the Toronto Harbour Commission. I apologize to him.

There is a royal commission headed by David Crombie. We are awaiting his report before we take any action.

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ACCESS TO INFORMATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Finance. Last week, I asked the minister about the release of documents requested under the Access to Information Act which would show whether the Tory campaign promises were made in good faith.

The department prepared the necessary documents substantially by July and recommended their release. Earlier in Question Period the minister said that ministers are not bound to take the advice of their deputies. That, of course, is true for the minister in the case of economic advice, but the question of release of documents under the Access to Information Act is not economic advice but legal advice.

The minister has a legal obligation to release documents. I want to ask him to confirm, as he seemed to say earlier, that he was rejecting the advice of his deputy about what documents should be released.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the advice that is rendered by a Deputy Minister flows back and forth as a result of discussions, consultations and a range of other matters that end up forming that advice. It does not matter whether it is on policy matters that relate to the economic policies of the government or other broader ranging policy matters, it still falls under the category of advice. As the hon. member knows, as a former minister, that is protected by the Access to Information Act for very obvious reasons.

It is very important that that free flow of information and advice between the minister and the deputy minister is maintained. That is the basis on which I have acted in relation to this particular access to information question.

Mr. Kaplan: Mr. Speaker, I think the House can only take it from that answer that the minister has indeed rejected the advice that he has received about what documents should be released.

Was his decision to reject advice about the interpretation of the Access to Information Act based on independent legal advice that he has obtained?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, here we are talking again about advice.

Mr. Kaplan: Legal advice.

Mr. Wilson (Etobicoke Centre): Well, legal advice comes through the deputy minister through the departmental legal officers. This information is still by nature of advice, but clearly I am not going to be acting in ways that are totally counter to things that have been said to me in the department.

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TRANSPORTATION

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I have a question for the Minister of Transport. In December 1986 CN sold its trucking division to Route Canada which ceased operations shortly after in 1988. Many former employees of CN lost all or part of pension plans, vacation pay and severance funds earned over as many as 35 years of work with CN.

Can the minister indicate to the 45 former employees in my riding if and when a resolution can be expected to this ongoing frustrating issue?

• (1500)

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, as my hon. friend knows, the matter is still under investigation by the RCMP. I think it is not appropriate for me to make any comment on it.

PROPOSED GOODS AND SERVICES TAX

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, my question is directed to the Minister of Finance. I am sure the minister will be interested to know that on Saturday I had an opportunity to meet hundreds of people living in my community who wanted to talk to me about the government's proposed sales tax.

The minister should know that with few exceptions it was unanimous that the minister does not have support for this measure or for 7 per cent or 5 per cent or any percentage of sales tax. I want to ask the minister what my constituents asked me to ask him: Will the minister now come to his senses and withdraw what is a totally unfair, unacceptable sales tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I gave the answer to that question to one of his colleagues earlier.

I ask the question of the hon. member himself: Did he put up a proposal, an alternative proposal, on which his constituents could weigh the alternatives and say they preferred this proposal as opposed to something else that he was recommending? I see he is nodding his head. Let us hear what he had to say.

Mr. Speaker: The hon. member for Edmonton East on a single question.

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ENERGY

Mr. Ross Harvey (Edmonton East): My question is directed to the Minister of Energy, Mines and Resources.

Will the minister confirm that, in consequence of the policies of deregulation instituted by his government starting in 1985 most of the cheap gas available in Canada has rapidly been sold off at fire sale prices just to keep up the cash flow that he was talking about, so that when the pipeline comes on track from the Arctic, even if that gas is dedicated to Canadian markets, there will be no way you can get it to market at less than double the current gas price?

Hon. Jake Epp (Minister of Energy, Mines and Resources): No, Mr. Speaker, I do not agree with what the hon. member put forward. If he takes a look at gas sales, both domestic and exported to the United States, he will see the increase to both. However I say to him as well that if he believes the domestic market in Canada is large enough to pay for the kind of costs which would have to be incurred to bring that gas down, he obviously does not know anything about economics.

Obviously we need the export market so we can use that gas for our domestic market. He should look at it from that point of view.

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UNEMPLOYMENT INSURANCE ACT

NOTICE OF ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-21

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I rise on a point of order.

I wish to advise the House that an agreement could not be reached under the provisions of Standing Order 78(1) and 78(2) with respect to an allocation of time to the report stage and third reading stage of Bill C-21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act.

Under the provisions of Standing Order 78(3) I give notice of my intention to move a time allocation motion at the next sitting of the House for the purpose of allocating a specified number of days for consideration and disposal of proceedings at those stages of the bill.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Loiselle that Bill C-20, an act to amend the Excise Tax Act and the Excise Act, be read the third time and passed.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I will not go to the next chapter of my book on "the grabbiest government in Canadian history".

I just want to continue to a certain extent with the impact of Bill C-20 on the more remote areas of the country. As I pointed out before, we have in place already a communication tax which discriminates against rural and remote areas of the country, a discrimination tax which will operate very much like the GST the government is proposing. Its impact will be much greater in remote and rural areas than it will be in much of central Canada. That is part of the reason we think that the whole approach of Bill C-20 is probably the greatest tax grab of any Canadian government.

Another area of concern, particularly for Canadians in remote areas but for all Canadians to a certain extent, is the increase on building materials because that tax affects every area of the country. It affects those areas where the costs of building are already extremely high. Constructing of a building in the Northwest Territories will cost more per square foot and consequently you are going to pay a larger proportion of tax than someone building in the south or in a more densely populated area.

The increase of the tax from 8 per cent to the 9 per cent, which is provided in this particular bill, is not fair in the sense that it is a larger tax on people who are required to spend more than others on construction.

It is difficult to talk about this bill without talking about the impact of the GST as well. In the northern and rural areas the GST will be a tax on the final product and, since that final product is going to be much more expensive than it would be ordinarily in downtown Regina, for instance, it will cost those people more than other Canadians. In fact, if you look closely at the budget, you will find that because of a 40 per cent decrease in regional development all regions of the country except central Canada and the larger cities will be impacted negatively by this bill, by this tax, and by the policies of the government.

There are other things we should talk about with this bill besides its impact on northerners and rural people. This grab is going to have the greatest effect on middle income earners and in fact will have the opposite effect on large profit making corporations.

The government has been talking about the goods and services tax since before the budget. It made a lot of promises during the election period and following. For instance, it was going to eliminate the surtax. Now we are told it will not eliminate the surtax but will leave it in place. It is a tax which in itself is discriminatory because the surtax does not really mean very much to a large corporation with a good tax lawyer. If you end up paying no tax, as 60,000 corporations have indicated, an 8 per cent surtax on nothing is nothing. The impact of the surtax was minimal. They were told it would be taken off, and now it is going to be left on.

• (1510)

In addition, all Canadians are going to have to pay a surtax, particularly those who are on salary. There is no way. Regardless how good a tax lawyer they have, people on salary will find a loophole large enough not to pay any tax.

Also, the social programs are being attacked. A good example is the Unemployment Insurance Act which is being changed, worth a 15 per cent increase in premiums being paid. That is a 15 per cent increase that is being taken directly out of the salary of the workers who pay those premiums. The total effect of all these changes range from $700 to $1,700 a year. This is a major impact resulting in much less money that can be spent on keeping the economy going and flowing into the coffers of the government, where it seems to disappear while doing very little good for anybody at all.

Since this government has been in power taxes have increased by 171 per cent. That is a huge increase in taxes. With this bill the government is continuing in the same direction. That is why our party and the people of Canada believe that more time and effort should be put into establishing a fair taxation system which would tax those people who are able to pay and relieve those who find it difficult to pay even a small increase in taxes.

Mr. Fisher: Mr. Speaker, I want to say that I enjoyed the member's remarks.

The government, in supporting its measures and then listening to the Opposition, always asks us what we think it should cut. This government seems to be able to think of nothing but cutting. Will the member remind the government that there are other measures besides cutting?

For example, in a committee where I was a member one of the members opposite suggested that either we had to go through with the government's programs or else add to the taxes of the aged. I am sure the member has some ideas on what we could do other than cutting social programs, such as increasing taxes to those who can very well afford to pay them.

Mr. Hovdebo: Mr. Speaker, I can think of some things that can be cut. One of them is the interest rate. If there was a one point decrease in interest rates, it would amount to $3 billion in the coffers of the government. That is the kind of cut that would be of some value to the government.

There are other things that can be done. One of them is to put in place a fair kind of taxation which collects, for instance, the $34 billion which the large corporations are holding as deferred taxes. Something that we have been suggesting for years is a minimum corporation tax. Even the Reagan government in the U.S. made some move in that direction by putting on a 20 per cent minimum corporation tax.

The large corporations have been able to escape paying any kind of tax by using the tax loopholes that are in place. The 20 per cent minimum tax would be there regardless of whether they were able to sneak through those loopholes. Those are the kinds of measures that will make the difference in bringing in the money by other means instead of cutting away from the social services and programs that people need and increasing taxation on the low and middle income Canadians who can least afford it.

Mr. Skelly (Comox—Alberni): Mr. Speaker, I was impressed by the member's comments just prior to the dinner adjournment when he was discussing how the goods and services tax would have a compounding impact on the high cost of living in northern Canada. This was brought home to me a couple of weeks ago when I went with one of my Liberal colleagues up to northern Quebec to talk to the Cree and Inuit communities there.

I found out that when you go a certain distance north in Quebec, you no longer get free access to the federal government telephone lines. For example, to contact Health and Welfare Canada or to find out about your pensions or family allowance cheques, you have to make a long distance toll call from northern Canada in order to deal with those departments of the national government to which you would have free access if you lived in southern Canada.

Now, in addition to the toll call, you are going to be obliged to pay the telecommunications tax under this Excise Tax Act. When the GST comes in, you are going to be required to pay a 9 per cent tax on the toll calls you make just to get federal services and advice from federal agencies that are free if you were living in the southern part of Canada. It shows the kind of compounding effect that this tax will have on the unfair treatment we give to northern communities. I appreciated the member's comments on that.

I was really surprised to hear the member for Abitibi, in whose riding I was a visitor, talk now about the air parcel staging rate that the government through the Canada Post Corporation has just increased by 32 per cent. This is a parcel delivery system in the north where Canada Post ships groceries and medications to northern communities that have no other means of getting those goods other than through air service or through the Canada Post system. This government has now increased those rates by 32 per cent. Furthermore, it has cut back on the subsidy that used to be available through Indian Affairs or through Industry, Science and Technology by about $1 million a year over the last year.

This government appears not to value northern Canada at all and discriminates especially against native communities in northern Canada. In this legislation we are seeing a government that wants to compound the cost of living in the north, compound the cost of living in native communities. It seems to provide no useful relief at all to those who live in the north at much higher rates than in the south.

The Acting Speaker (Mr. Paproski): I believe that was just a comment. The hon. member for Essex—Kent on a question or comment.

Mr. Pickard: I want to make my presentation on the bill.

The Acting Speaker (Mr. Paproski): The hon. member can make a comment or pose a question to the hon. member.

Mr. Pickard: Mr. Speaker, when I look at what has happened with the excise tax I have to consider the increases that have gone on over the last five years. The basic premise of our taxation policy in federal sales tax was 9 per cent five years ago and now it is being raised to 13.5 per cent. I think that is a tremendous cost to all Canadians. Would the member comment on that particular avenue?

Mr. Hovdebo: Mr. Speaker, it is very interesting that the government has been saying for years—and we have agreed with it quite often—that the manufacturers' tax has some problems. It is not a particularly good tax in some ways. The government's answer to it in Bill C–20 is to increase it and make the bad tax worse. Since the government came into power the maximum tax in this particular area was 9 per cent and now, as you point out, it is 13.5 per cent. Every one of those increases were to what the government says was a regressive and a bad tax. To make things worse, the GST that is to be put on is the same kind of a bad tax, and it will put it on at a level higher.

• (1520)

For instance, if you buy a stove for $200, under the present manufacturers' tax the tax cannot be more than $26 or $27. But if you buy that stove after the GST is in place, when it costs $500, there is going to be a tax of 9 times 5. In other words, you have doubled the amount of tax.

The tax has gone down from 13.5 per cent to 9 per cent, but it is applied to everything else like transportation, distribution fees and profit. You have doubled the tax that the consumer is going to pay on those items. That is true for every consumer item that is being taxed now. The manufacturers' tax was at the manufacturers' level. Now it will be at the final consumer level. A 4 per cent decrease is actually, almost, a 100 per cent increase in many cases.

Mr. White: Mr. Speaker, I have two brief questions I would like to pose to the member for Saskatoon—Humboldt. They deal with the comments he made in his closing remarks about tax collection and companies that perhaps do not pay their fair share.

I would be interested to know his party's or his personal opinion about loss deferral on companies, in particular the smaller resource companies in Alberta, and whether he is opposed to loss deferral for those companies.

The second question deals with the NDP's opposition in the last Parliament to the removal of flow-through shares and the tax deduction that individuals and companies were able to get through flow-through shares. They fought tooth and nail against the elimination of that particular tax loophole. Is he reversing his or his party's position on that particular tax deduction?

Mr. Hovdebo: Mr. Speaker, first, regarding the flow-through shares, the member should read his literature and read the literature of our position. He would see that the statement he made would be quite incorrect.

We have had a lot of experience with resource companies in the New Democratic Party, because we were in that position in Saskatchewan where we had to deal with those taxes. We recognize that every company and every primary resource is different and that you have to deal with it on a different basis.

We also recognize that those resources do not belong to those companies. They belong to the people of the provinces and they should get from it a major portion of the profits. Consequently, I would say, yes, we have to deal with every one of those situations differently and individually, but we must recognize the value of those resources which belong to the people of that province. They have the right to a major share of those profits.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, it is a real privilege and honour to stand today and discuss Bill C-20, an act to amend the Excise Tax.

From the commencement of this session of Parliament we have been involved in debates over taxes, and the legacy continues. What we and the Canadian public are witnessing is an unparalleled part of Canadian history. What we are witnessing is the government parading through, bill after bill, legislation after legislation, cause after cause, with one thing in common—a continual increase in taxes, all sorts of taxes that are eating into the incomes of low and middle income Canadians.

How many times this session will we hear from the government that no one likes to pay taxes or taxes are not popular, or that it needs to raise taxes, because of the financial mess this country is in? When will the tax parade stop? Is it the intention of the this government to make tax grab the catch word of the 1990s?

I use the parade as a comparison as well. We in Canada look on parades as a group of floats and bands going by. This government has brought forth a float of taxes—tax, after tax, after tax—and stood on the bandstand telling Canadians how well they are doing. Let us look at this specific float known as Bill C-20.

Bill C-20 contains the necessary legislative amendments to implement the federal sales tax, excise tax and excise duty changes announced in the budget of April 27, 1989. Nice rhetoric. What it means to all Canadians is: hold on to your wallet, hold on to your purse, hold on to your cheque book, the tax grab continues. What it means is that cigarettes will cost more, gasoline will cost more, using your telephone will cost more, home construction and repairs will cost more, a drink will cost more, many manufactured goods in this country will cost more. Indeed an impressive offering. Almost everything you do, buy, or dream of will cost you more. The proposed tax increases in Bill C-20 will affect all Canadians. All Canadians will pay more for almost every purchase.

These increases will hurt low and middle income families more because of the percentage of income spent on necessities like housing for a family, for the gasoline used to drive to work. These taxes are not aimed at luxury items. These tax increases are aimed right at the heart of the consumer market, and the parade continues.

Last November the government stated that the economy of Canada was in good shape. It said its spending commitments made during the election campaign were not going to cost Canadians more. That was November 1988. In April 1989 the Minister of Finance introduced the federal budget that would reduce government programs by $2 billion and increase tax revenues by $5 billion. At the same time the government told us that the deficit reduction and public debt reduction were foremost in the government's mind. That was on its mind in November. What was there?

When the government told us everything was okay, what was the drastic change in five months? In May or June the parade of legislative tax proposals began and it continues today. Increase of sales, an increase here or higher excise tax there, a little more duty charged here, while by the way, making the average Canadian the brunt of that tax burden. The government, even with this legislation, will not simply say: "Here is the plan, pay up". No. The government tells us Bill C-20 is necessary as a revenue bridge to sales tax reform.

A revenue bridge is interesting terminology. It means let us get the tax and excise revenues hiked up very high so that the rest of its tax reform proposals, such as the GST, will not be so painful. At least, they will not appear so painful. How does this revenue bridge really work? Let us look at the goods and services tax proposal and the current manufacturers' sales tax.

In 1984 the manufacturers' sales tax was 9 per cent. By the time the 1989 budget rolled around, the Conservative government had it up to 13.5 per cent, an increase of 4.5 per cent in just five years. Talk about revenue bridge, this is a revenue rocket.

• (1530)

If inflation on average is 5 per cent per year for the last five years, and the current manufacturers' sales tax is 13.5 per cent and is used to raise $18.5 billion, then in 1984–85 terms, the manufacturers' sales tax would have raised less than $10 billion. It would appear that the manufacturers' sales tax, raising less than $10 billion in 1984 and raising $18.5 billion in 1990 and having its rate go up from 9 per cent in 1984 to 13.5 per cent in 1989 is being used as far more than just a temporary revenue bridge. The tax is being used by this government to generate almost twice as much money today as it did five years ago. The problems attributed to the MST by this government have been compounded by its own initiatives.

The finance minister has called the MST a silent killer of jobs. Little wonder when you consider the rate has gone up 50 per cent and the revenues have doubled since 1984. The government has created a monster with which it must now deal. How does it choose to deal with it? Simple, call it a killer. Blame past governments and make Canadians pay for it, then introduce a new tax. Sell Canadians on it. Call it revenue neutral, but generate another $5.5 billion in taxes for Canadians. The average Canadian pays again.

I love a parade, but this parade has to stop. Bill C–20 will do the following; increase federal sales taxes on construction material from 8 per cent to 9 per cent, increase alcohol and tobacco taxes from 18 per cent to 19 per cent, increase the manufacturers' sales tax from 12 per cent to 13.5 per cent, increase telecommunications services from 10 per cent to 11 per cent, increase the excise tax on gasoline by one cent a litre as of March, 1989, another one cent a litre in January, 1990, plus an additional one cent a litre on leaded fuels, increase excise taxes and duties on tobacco products by $4 per carton of cigarettes and a similar amount on cigars, and place a $5.30 levy on a 200–gram container of manufactured tobacco.

The estimated take on the excise taxes and duties alone is $.9 billion in 1984 and has been increased to $1.6 billion by 1990. That increase again is $.9 billion from 1984 to $1.6 billion in 1990.

While the bill proposes increased tax credits and raising income thresholds from $16,000 to $18,000 in 1990, Canadians will not maintain their purchasing power. Farmers, for example, will lose their farm fuel rebate program. In my riding of Essex—Kent, farmers will pay more for such things as fuel by 1990 than they do today. This holds true for farmers everywhere in Canada.

Today, fuel rebates are 8.5 cents a litre and 7.5 cents a litre for diesel fuel. Yet in 1990, the rebate will be reduced to 3.5 cents per litre and by 1991, if the government has its own way, the rebate would be, based on the GST, reduced to 2.8 cents a litre, more than 5.5 cents per litre reduction in just two years, or two–thirds of that rebate being reduced.

The government claims a savings here of $200 million. What type of saving is this? How is this a saving if actual costs are just foisted on the already beleaguered agricultural community? A fault savings indeed. Yet, the government claims that these are necessary legislative amendments, that they are necessary to implement the federal sales tax, the excise tax and the excise duty changes that will provide a revenue bridge to the sales tax reform, a reform that is regressive, discriminatory, ill–conceived, and impossible to nurture. It is a tax that the members opposite would have us all sit back and enjoy while we sacrifice segments of the Canadian economy that can ill afford such expensive initiatives.

Bill C–20, in many respects is a forerunner of the government's proposed goods and services tax. The government needs the legislative changes proposed in Bill C–20 to pave its way for the introduction of the new GST. Is it not odd that we are reviewing legislation to make it easier to introduce a GST that has not yet been considered by this House? Is it not odd that Bill C–20 lays the groundwork for legislation which, although in draft form, has not been finally prepared? The GST legislation may receive wholesale revision at the committee stage before final consideration, or, more preferable, if the government were truly tuned to Canadians, the GST would be scrapped altogether and not introduced at all.

Is it not strange that we are hastily arranging legislation now for something yet to happen, if it happens at all? That is all a part of the tax parade, a parade that will have us muddle through a myriad of legislation, a tax reform prerequisite before the real crunch is brought in.

Today, one-fifth of Canadian youth, about 1.2 million live below the poverty line. Today, the National Council of Welfare states that current pension plans do not meet the needs of seniors with over 600,000 seniors living below the poverty line. Today, financing costs in Canada are higher on average, between 3 per cent and 4 per cent, than their U.S. counterparts. Today, inflation in our country has risen by .5 per cent to 1 per cent in the second quarter of 1989 due directly to today's tax initiatives by the government. Today, the government continues to increase taxes that will be a direct assault on Canada, its youth, seniors, businesses and farmers. Is this the type of government that we can afford? What does Bill C-20 do to alleviate the burden on these people? Nothing. It does nothing. Enjoy the parade.

Where does the bill really lead us? It leads us further and further along the tax reform road, a road that has as its ultimate destination the GST, a tax reform that has partially indexed thresholds and credits, a tax reform that is hidden, a tax reform that is regressive and discriminatory, a tax reform that will strangle our economy, have taxes rise at a rate higher than inflation, cause more and more Canadians to lose their tax credits, remove billions of dollars from disposable incomes and investment incomes and sacrifice thousands of Canadian jobs. The tax reform which commences with Bill C-20 will have devastating consequences.

The government's parade of tax legislation will not stop until it is all in place. It is a tax reform that does not address the issues of the homeless, farm stabilization, lower interest rates and the protection of universal social benefits. This is no tax reform. It is just a parade.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I rise today to speak in strong opposition to Bill C-20, an act to amend the Excise Tax Act and the Excise Act.

This bill is a result of tax changes that were announced in the recent federal budget. This bill provides for increases in the manufacturers' sales tax from 12 per cent to 13.5 per cent and a tax on cigarettes and gasoline.

I rise to speak on behalf of my constituents in Haldimand—Norfolk, especially those in the tobacco industry who have been hard hit by this government's taxation policy. Once again, this government is attempting to reduce the deficit through heavy tax increases which hit middle and lower-income Canadians the hardest.

• (1540)

The manufacturers' sales tax is a regressive tax that impacts more on lower income Canadians than it does on the more affluent. As we have heard many times in this House during this debate and other debates, the Minister of Finance himself has referred to this tax as the silent killer of jobs. I can agree with that.

The budget was an ominous one. The Prime Minister promised tax fairness. The Minister of Finance's budget proposals made massive increases in personal taxes while corporate taxes continued to decline.

Since 1984 the average-income Canadian family is now paying an extra $2,000 in taxes as a result of the finance minister's budget. I ask the government, is this a progressive tax when Canadians have had to pay over $2,000 more in taxes since this government has come into power?

A progressive tax system means you pay taxes according to your ability to pay. This helps reduce inequality and helps raise the standard of living on the bottom end of the income scale. This is not being done at all through these tax increases. A regressive tax is one which makes the poor pay a higher percentage of their income in tax. This is what the Conservative government is doing to the poor.

Let me address the issue of agriculture because, as you know, Haldimand—Norfolk is one of the finest agriculture constituencies in this country. This regressive excise tax without a doubt will have an adverse effect on the people and on the agriculture and farming in my riding.

According to 1986 statistics, 20 per cent of the people of my riding depend on agriculture for employment. I strongly believe that this government is trying to get out of direct support for the family farm as a centrepiece of Canadian agriculture. The drive to incorporate farming accelerates the decline of rural communities. The small towns depend on and are affected greatly by this government's tax measures.

High interest rates devastate net farm income. Farm debt must be restructured to ensure the continued survival of the family farm. Debt write-down is necessary. The budget outlined a number of drastic cuts to agriculture programs which will have a devastating effect on farmers, especially those in my riding such as tobacco farmers, dairy farmers and grain farmers.

Let us look briefly at some of the budget cuts this government has decided to implement. I believe that we have to look at the whole system. We have to look not only at what programs this government is providing to farmers but we also have to look at what is cut, especially in this last budget.

In the Crop Insurance Cost Sharing Program, the federal government will be cutting down from $90 million to $110 million its share in the next two years by rebalancing of the cost. Producers, suggesting a one-third tripartite funding proposal, were squarely rejected by this government. Without an equitable funding mechanism such as the crop insurance premium cost, it will remain too expensive for many growers, especially in the poorer provinces. This means a continuation of low participation percentages among producers of many farm commodities.

Without a high participation percentage the economic and political need for *ad hoc* disaster relief programs will continue just as it has in the past.

Of course, we all know about the removal of the interest free provision to the Advance Payments for Crops Act under Bill C-36, which we debated earlier last week in this House. Farm organizations and members of our party have strongly opposed this legislation, but in doing so have been accused of depriving farmers of advance payments for the 1989 crop year. We called upon this government to withdraw that bill. Unfortunately it is still pressing on but we will continue to fight it. In reality, the present act authorizes such payments and only reluctance by this minister to exercise authority spelled out in the existing legislation prevents funds from now being disbursed to producers across this country. I do not like to say that the minister directly misled this House but he directly told farmers something that was not true.

We have asked this government to withdraw this legislation and to allow consultation on this matter. Unfortunately, this government does not have the insight to see the negative impact of this bill on agriculture. It is obvious that this government's strength does not lie in insight or understanding. Perhaps I am being too kind. Perhaps it does understand the negative impact of its so-called progressive changes and it just does not care. It has to be one or the other, and I am not quite sure which it is.

Coming from an agricultural riding, I am naturally concerned about the increased excise tax, and how this will affect farmer's actual cost of production. It has been estimated that the cumulative effects of the tax and the rebate changes will have very negative impacts on our agricultural industries. For example, the budget stated that leaded gasoline would increase by 2 cents a litre April 28, 1989, and as a result of federal sales tax, it would increase by a further .39 of a cent per litre June 11, 1989. The federal excise tax is to increase again on January 1, 1990, by one whole cent. On top of all this, the federal fuel rebate of 5 cents per litre will be eliminated effective January 1, 1990.

It does not take a rocket scientist to know that farmers, especially farmers in my area of Haldimand—Norfolk, will be affected greatly by this. The cumulative fuel cost increase to farmers works out to be 8.39 cents per litre between April 1, 1989, and January 1, 1990. That is 8 cents a litre. Can you imagine going to the gas pump and finding that your gas has gone up 8.39 cents a litre?

Mr. Wappel: Shame!

Mr. Speller: The member is right, it is shameful. We call on this government to do something about it.

Similarly, product prices for unleaded gasoline will increase by 7.1 cents while diesel will climb by 4.32 cents. This government says that we should bring down the deficit. Why is it bringing this deficit down on the backs of Canadian farmers, on the backs of those people who can least afford to pay?

Estimates by the Ontario Federation of Agriculture, based on Statistics Canada data, put the additional cost to farmers of the fuel tax rebate changes to Ontario at more than $25 million. This is just for Ontario farmers. As you can see, we are not talking about small pennies here.

A spokesman for the Canadian Tobacco Manufacturing Council has said that the increases are abusive, inflationary, regressive, and counter-productive. I could not say it any better myself. Farmers are telling this to this minister. The poor who are heaviest per capita smokers will be hardest hit by these measures. The new taxes come four months after the federal government banned most forms of tobacco advertising.

Mr. Al Bow, vice-chairman of the Ontario Flue-cured Tobacco Growers Marketing Board has indicated: "I don't know if we can recover this time". This is somewhat surprising because this Minister of Agriculture came to my riding and said: "Ottawa wants to send a strong signal to the industry that we are here to support tobacco producers in their time of need and in their time of adjustment". My colleagues know when he said that. He said that during the election campaign. Sure enough, after the election campaign he tells tobacco farmers, "Yes, we are going to support you but we are going to tax the heck out of you. We are not only going to tax you on the top end by taxing cigarettes, we are also going to tax your fuel. We are also going to increase your cost of production." That to me does not seem like support for our agricultural community. The government estimates reveal that there will be an increase of over $6 million in 1989-90 in assistance towards the orderly diversification of the tobacco-producing industry. This is a program set up to help tobacco farmers adjust into other farming sectors because of the conditions brought upon the industry by this government's adverse taxing policies. You would think that if you are asking tobacco farmers to move into other areas of production, and if you are going to over tax them, you would use some of that money on the bottom end to help them move into other crops. What the government has done is it cut out that program. It has slashed it.

• (1550)

What they have done is they have cut that out, slashed it. The government is telling tobacco farmers that it wants them to get out of the industry but it does not want to help them get out, they are going to have to find their own way out.

This government takes billions and billions of dollars out of tobacco each year. Surely it could put a little of that money back into the industry.

Why is it that this government promises one thing before an election and immediately afterwards goes back on its word? How can anyone trust this government? It is obvious that Canadians can no longer trust this government's word. If it promises one thing to farmers, it should stand by that promise. Farmers expect this, as do all Canadians.

It is this government's policies that have put the agriculture industry into the fragile position it is in today. A great deal of that has to do with this government's policies. Let us for a minute take another look at another promise.

During the free trade debate, this government promised Canadian farmers that they would have total access to the American markets. The Minister of Agriculture came into my riding and told dairy farmers that supply management would be protected by this government. Right in my own riding, he told the pork farmers that the Americans would stop harassing them, now that we had this free trade agreement we did not have to worry about American harassment.

Mr. Milliken: It is a fraud.

Mr. Speller: That is right, it is a fraud because, quite frankly, Canadian farmers want this government to live up to its words, stand up and tell the Americans, "We are not going to take this any more".

We have seen since free trade, and since the election was over, Americans harassing us on steel, pork, ice cream, yogurt and fishing. How can any agriculturalist believe the word of this government? The people believed the word of the government during the last election. They said, "Sure, we are going to give up all these things under free trade, but look what we are going to get in return. We are not going to get harassment". Well, we have seen over the past few months exactly what has happened and how good this government's word is.

Actions by this government clearly show that it does do not give two cents about agriculture. In fact, the quicker it can destroy the industry, the better.

This government is one of total regression. It is exemplified in the proposed goods and services tax. This ominous legislation is on the lips and minds of people from all walks of life. I had the opportunity during the past month to go to two fall fairs in my riding. Fall fairs are places where you can see thousands and thousands of people. Last year, the fairs were held during the election campaign so it was a good opportunity for us in rural Canada to sit down and talk to individual Canadian constituents.

I had some petitions on the side of my booth and quite frankly, we had to have a police officer to direct traffic because there were so many people signing petitions. The petition called upon this government to get rid of the goods and services tax. Thousands of my constituents, as have the constituents of my colleagues on this side of the House, were signing petitions. I am sure that if we have had thousands of petitioners, there must be thousands from the other side of the House calling upon this government to get rid of this tax.

This is just one adverse way that this government continues in its bad taxation policies. Time after time before the House of Commons committee looking into this issue, witnesses have appeared warning the government that this proposed tax is flawed and unworkable. Does this government listen? No, it does not, not any more than it listened to us when we warned it not to rush into signing the free trade agreement. You can see the commonality between the two issues. The government did not listen then and now we regularly find ourselves being challenged by the United States.

Raising $9 billion to combat the burgeoning deficit is not a mean feat for any finance minister, especially when this government has doubled the national debt in four years.

We saw in the newspaper today figures that show this government's deficit has increased another few billion dollars. It seems that when this government gives a projection as to what the budget deficit will be, it is always off by a billion or two. I do not understand. I think it takes a little common sense to know that if you bring down interest rates, the deficit will also come down.

This government's policy on interest rates is flawed. If the Conservatives would listen to the Canadian people, they would let them know that in fact it is a flawed program. Unfortunately, the only way to lower the deficit, from the government's point of view, is to reverse fundamental policy positions from its election campaign. We have seen that throughout this session.

I am unsure of my time, Mr. Speaker. I have three more minutes, thank you.

Over the last five years, this government has gone to great lengths to blatantly insist that its tax measures have been part of a master plan to broaden the tax base, lower income tax rates, eliminate special preferences and curb opportunities for tax avoidance. This is what the government says. This government has exhausted its tax grab opportunities on personal income tax. Now it is going for a tax on consumption.

Canadians are getting wiser. Some taxpayers, notably small entrepreneurs, are starting to realize that they cannot afford to rush too enthusiastically after tax and other incentives offered by this government because, quite frankly, they cannot believe them. Specific measures introduced in previous years to encourage investment in certain types of activities or in certain regions of the country have been limited or removed altogether.

Over the years, several programs to encourage individual taxpayers to invest in scientific research were gutted. This government stressed and continues to stress that research and development is vital for the growth and competitiveness of our businesses, but it has cut all the programs. This is just another example of how it is hard for Canadians to believe what this government says.

Sales tax reform is heralded as an improvement to the fairness of the tax system by allowing the application of lower rates to a much broader tax base. However, this $1 billion tax grab is highly regressive despite the proposed tax credit system for lower income taxpayers.

We also saw in the paper recently a study done by the *Globe* and the CBC, I believe. The study said that 80 per cent of Canadians were against this tax. Surely, the government can see the ill of its ways in trying to bring in this tax reform. Canadians clearly do not agree with this.

I see my time is almost up. I want to leave by reiterating what I said about the effects of this tax on agriculture. Farmers in my area told me clearly, and I am sure all the members on the other side have been told, that they do not mind paying their fair share of taxes, but they are sick and tired of being the ones who are always taxed. They do not want this tax. They are the whipping boys of this government and, quite frankly, they are not prepared to stand idly by this time. They are prepared to stand up and let this government know that it is not doing the right thing. They told me that next election it will be this side for whom they will be voting.

Mr. Wappel: Mr. Speaker, I wanted to congratulate my colleague for his usual fine performance and, of course, for his lucid and correct arguments. I want to go one step further and congratulate the people of his riding who, notwithstanding the fact that the minister came during the election campaign and made an appeal to the people of his riding, they had the good foresight to elect my friend to represent them in the House of Commons, and a fine job he is doing.

• (1600)

We all know that these proposals, from the goods and services tax to the increase in the excise tax, are cleaning us out, if I can put it that way. Not only are they cleaning us out but they are cleaning Canadian taxpayers completely. It is interesting, talking about cleaning, that this bill intends to increase the wholesale tax on laundry detergent. Not only are we going to get cleaned but we are going to have to pay for it to boot.

I wonder if my friend would have any comments on that.

Mr. Speller: Mr. Speaker, I thank the hon. member for his comments. He is absolutely right when he says that this government seems to be going after all those small little areas to tax, such as cleaning detergent. Quite frankly, I want to explain to him that people in my area were not fooled by these government promises because they have heard them all before. They have heard promises by this government. I do not think a lot of people in rural Canada were fooled by this. If you look at this side of the House you will see that we well represent rural Canada. Rural Canadians were not fooled by this government's policies.

I do want to say though that what I heard from the people in Haldimand—Norfolk during the fall fairs, and I will end with this, is that people can understand that a government has to tax. They can understand that there are certain problems with the deficit. They can understand all of this. What they cannot understand is why it is them. Why does the government tax programs, such as the advance payments program? Why would it cut out an interest free area to save on the deficit? Twenty-seven million dollars is not a lot of money in the whole, especially when that $27 million means the orderly marketing of grain in Canada. That is important because although the cost of $27 million may go back to the government, we now have no way to orderly market grain in Canada and we are going to see grain flooding onto the markets. Grain is not going to be able to be traded and, quite frankly, farmers will be going under because of this. This all relates back to deficits and taxation. Farmers cannot understand the logic behind these moves by the government.

Mr. White: Mr. Speaker, I listened with interest to the comments of the member for Haldimand—Norfolk. I have a few comments because some of the things he said about agriculture specifically cannot go unchallenged.

I would like to begin with his comments about the public debt. If it were not so tragic, it would be laughable. When the Liberal party was in government back in the 1970s and up until 1984 we were forever on an uphill escalator of public debt. I shudder to think of what our finances would be like if the Liberals were still in government today.

Second, I am sorry to say that the member has shown a very sad lack of knowledge of the free trade agreement when it comes to red meat and supply management. The free trade agreement gave Canada and the United States mutual exclusion from the Meat Import Act. It did not mean freedom from American harassment but it gave us a recourse for those disputes. In addition, supply management is going to be saved by work in the GATT on Article 11. The free trade agreement will not destroy supply management. It is ridiculous to say so.

The other matter he mentioned was a Conservative saying one thing before an election and another thing after. Those Canadians with an interest in political history in Canada remember back in the 1970s when former Prime Minister Trudeau campaigned tooth and nail against wage and price controls. As soon as he won the election, what did we have but wage and price controls? In the 1980 election, former Prime Minister Trudeau again campaigned against the Conservative Budget to increase the price of gas by 18 cents. Within a year it was up a dollar. There is an old saying about the pot calling the kettle black and I think we have a perfect example here.

Just to close the comment, I am proud to say that this government served the farmers of Canada well. If you look at the rural ridings across Canada and the members they elected, I rest my case on the number of Conservative rural members as opposed to the number of Liberal rural members.

Mr. Speller: Mr. Speaker, I do not need any lessons from the hon. member on either debt reduction or this free trade agreement. Quite frankly, it surprises me how a member on the other side can get up and talk about debt when his government, over the past five years of being in power, doubled the nation's debt accumulated from Confederation to date. That government doubled it, right from Confederation. In five years his government has doubled that debt, so I do not need any lessons from the hon. member on debt.

As for free trade, the hon. member is right. Unfortunately, his agriculture minister and his minister of trade went from riding to riding to riding saying that there will not be any more harassment by Americans. That is what they promised. What we have seen in steel, pork, fishing and dairy is harassment after harassment by Americans on Canadian products.

The hon. member said Article 11 is not negotiable. What do we see at the GATT negotiations? Surprise, surprise, now we are negotiating Article 11 of GATT. There is no guarantee by this government that supply management is protected. This government said all throughout the election campaign that supply management would be protected. Government members came into my riding and said: "Dairy farmers, you do not have to worry about it, it is not negotiable".

Well, we see now that it is on the table. Supply management is on the table at GATT. What have we left to negotiate with? We have nothing left. There is nothing left on our side with which to negotiate because we have given everything away.

This government has sold out Canadian farmers and Canadian farmers have said they are not going to take it any more.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I flipped through Bill C–20 which I will be speaking on today to see what is in the bill. It seemed like a rather innocuous title, an act to Amend the Excise Tax Act and the Excise Act. But when I looked in the contents, I found sort of a wolf in sheep's clothing. The government was trying to trick us, I would suggest, into believing that it is something without very many teeth, that it is something very quiet with no problems for the people of Canada.

But when you look a little deeper, it is clear that this particular bill is part of the agenda that we have seen under this present government since 1984, a constant tax grab from the lower and middle income people of Canada. We look at what is in the bill and we see that it contains a tax on telecommunications. Well, on the surface that does not seem so very serious. People who use telecommunications are probably large corporations and they are going to be taxed. But if we look at who this is affecting, we find out that the people in the Northwest Territories and the people in the Yukon are the ones using telecommunications constantly to keep in touch with their relatives in the rest of Canada and the United States. The telecommunications tax is going to hit people in the far regions, in the Atlantic Provinces, in the west, including British Columbia where I come from. Often people in these regions, particularly in the north, have come from areas such as Ontario, southern British Columbia, Alberta, Saskatchewan, Manitoba and Central Ontario and they want to keep in touch with their friends and relatives. With this particular bill the government has, in fact, taxed the person who has moved out of those areas and is populating our frontier areas, areas to which we must look for our future growth. They are being hit, I would submit, by this telecommunications tax.

• (1610)

I looked further to see what else the government has hit. It has taxed gasoline. If we look at the environmental aspect of that, it is not such a bad deal because the environmental argument is that it discourages the use of fossil fuels. But let's face it, here in Canada where we have such a broad area to cover, where we have miles and miles between communities, between families, it is not, I would submit, a luxury to be able to drive a vehicle from the outer areas into town for groceries. Sometimes, particularly up north, that requires miles and miles of driving, but they are the people who we are hitting with this tax. It is not a luxury tax, it is an essential part of living, an essential part of life.

It is unfortunate that the government cannot see that by adding the excise tax on gasoline it is hitting families, it is hitting the poor, it is hitting those on fixed incomes. Although from an environmental point of view the increased excise tax on leaded fuels is a desirable thing, many people across Canada who are among our poverty-stricken, among those who are on fixed incomes, cannot afford cars that use unleaded gasoline. They have the old beaters, the old pick-up trucks from prior to 1978. Those are the types of vehicles they must purchase to get their families around, to go in to town to get groceries and the very necessities of life. As well, perhaps they have to take a spouse to the hospital for an operation, and so on. They are the people who are going to be hit with this tax. It is a tax again on the poor.

The tax on cigarettes and liquor I really have very little argument with. I feel those are things that Canadians can do without. It, in fact, is similar to a luxury tax. I cannot object to that.

But I look over the last few years since 1984 to find out what has happened to the taxes. I see that corporate taxes are down a percentage point from 13 to 12 per cent. I see that upper-income earners' tax has dropped from 34 per cent to 29 per cent. I look at the other side of the ledger to see what has increased. We have increased all of these taxes I have just spoken about. But, in addition, since 1984 we have increased the manufacturers' sales tax from 9 per cent to the present 13.5 per cent. Building materials under this bill would go up to 9 per cent from 8 per cent. What effect is that going to have? On the manufacturers' sales tax end of it, there will be a 1.5 per cent increase from the 12 per cent it is at present, up 3 per cent from what it was in 1984. We have had three consecutive increases in the manufacturers' sales tax since 1984.

Who does that hurt? Where does it hit? Again, it is a consumption-style tax. It hits the poor. It hits those on fixed incomes, those in the middle-income groups. The people who can least afford to pay are the ones who are hit by these consumption taxes.

We see, since 1984, that revenues from consumption taxes have increased from 19 per cent to 25 per cent. Those, of course, are going to rise now in the advent of the goods and services tax if it is brought in against the wishes of those 78 per cent plus which number is growing of those in favour of scrapping the goods and services tax. What is the effect on Canadians?

The manufacturers' sales tax, of course, gives people less disposable income, the ability to purchase fewer things. The 9 per cent tax on the building goods makes it more and more difficult for average Canadians to own homes. In fact, it increases the rent of those who cannot afford to own homes, thereby again depressing available income. It is a vicious windmill that we have put these people into.

Now what have we got? We have now raised the taxes to such an extent that the National Council on Welfare has estimated that at the present time sales taxes take 11.5 per cent of the incomes of families earning $10,000 or less; 6.7 per cent of the incomes of families earning $40,000; but only 4.4 per cent of the income of families earning $100,000. I wonder, is this fair? Is this where we want to go in Canada? Is this the Canada that we want to see for the future? Is this what we want our children to have to put up in the next generation and generations thereafter? I would suggest that it is not.

We have seen this constant agenda of turning more and more to consumption taxes. The government now argues that the manufacturers' sales tax is not fair, that it is a silent killer of jobs and we have to do away with it. It is now 13.5 per cent so the government will make it 9 per cent.

However, the government does not tell us that the 13.5 per cent, of course, is on the manufacturers' level and as everybody in the chain up to the retail level takes his piece of the action that 13.5 per cent does not increase. However, with the value added concept that we are now getting into, at each stage we are adding the 9 per cent onto the value that we have added to the price of the good. So a $100 good out of the manufacturer would normally bring in $13.50 in tax. By the time it gets to the retail level it has increased to $200. By my multiplication, we will now pay $18 in tax instead of $13.50. But that is not what this government has told the people of Canada. It has said it was going to be a smaller tax. The issue, I would suggest, is not whether we should have a value added tax, which in this case we are calling a goods and services tax, but whether Canada can afford to have a value added tax.

In one of the finance committee hearings we listened to a group called the Tax Executive Institute and we questioned the members of the group about what was happening. This group was made up of 80 per cent U.S. tax executives along with a vice-president to talk to us about a value added tax. We asked the vice-president what the Americans have done in the area of a value added tax; how far it had ever gone. It has been tried a few times, we were told, but unsuccessfully. It won't float past the first stages of discussion. Why? Because this is a tax that will be almost impossible to administer, the complexity of implementation will be enormous.

Within their own group of tax executives they could not get agreement that a value added tax was the route to go. Yet, in Canada, although we are tying our kite to the string of the United States and trying to fly everything that they fly, we are going to try a value added tax that is unlikely to come into the United States in the foreseeable future, and I would suggest probably not for at least 20 years down the road or perhaps never. Yet, here in Canada we are going to try it, but we are going to try it in a manner that has never been tried in the world before; we are going to use a two-tiered system. We have a provincial tax, but we are not going to go with the provinces, we are going to try it on our own federally. So we are going to make it totally impossible for those out there who are gathering it to bring this in.

• (1620)

That is a problem with what we have done, but the problem is the tax itself. It is a regressive tax. It hurts the poor, the middle income earners, and those on fixed incomes such as the old age pensioners. It is not the answer to what we in Canada need for the future.

I looked at some of the problems with some of the witnesses who have appeared before the finance committee hearings on the technical paper. We have talked to farmers and the farmers tell us they do not want this tax. If we have to bring it in then they need certain exclusions. But the basic message is that a value added tax is going to hurt everybody up the line in administration.

We talk of the input credits and the government says, "Well, it does not really matter because you are a farmer and you are going to get back all of your input credits". I wonder where those people in their little ivory towers have been all their lives because they sure as heck have not been out on the farms talking to the farmers. They have not been in the small businesses talking to the business people. Those are the people who have to administer this.

You hear the bureaucrats in the Department of Finance, who have written this technical paper, telling us it is going to be simple, it is going to be easy to administer. It is so simple, you simply take the tax and you take your input credits and you subtract and you add and you send away this money and you get it all back. Nonsense! The people who have to do it are frightened to death of this administrative nightmare that the government has put them in.

They have bookkeeping problems. We talked to a potato farmer in Prince Edward Island. He said, "Look, I work from dawn until dusk. Although I run a farm with 1,100 acres of potatoes, my wife and I still do our own bookkeeping. Even though we may go out and spend $100,000 a year on equipment, we do not have the time to fill in the paper to get back our rebate".

A lot of farmers tell us they are not computerized, as are a lot of small businesses. So what happens? The farmers tell us that a lot of them will not be getting back the input credits, so it is simply going to cost them the 9 per cent more. I say that this is shameful. This is only one example of what is happening under the goods and services tax.

One of the other examples, is in the area of the poor. Government members on the committee constantly tell us, "Well, we have worked in this nice tax credit system, rebates for those with incomes under $24,000". Well that is all well and good. Go up to the Northwest Territories or the Yukon where they tell us that the illiteracy rate is higher than anywhere else in Canada. The trappers out on the traplines live a subsistence living I am told. They do not file income tax returns. They know nothing about tax credits. But, in order to run their traplines they buy snowmobiles, gasoline and their traps, and they have to pay the tax on top of that. They are not going to get any of their rebates back. It is simply going to cost those people more and they are already paying 25 per cent more for all of their goods and services than we, down in the southern regions, are paying. So it is a double taxation on those from the outer regions.

In Atlantic Canada they tell us that they are paying approximately 15 per cent more than what those of us in the rest of Canada are paying. Again this is double taxation.

We read in the newspaper that the Alberta Minister of Finance has said that the government has substantially underestimated the once-only bulge in inflation. It will be substantially higher, he tells us, than 2.25 per cent, and there will be a continuing spiral with the increases in costs through manufacturers' added costs, administrative costs, implementation costs, as well as the wage costs. These are going to bring up the inflationary spiral. It is going to have a devastating effect, the minister tells us, in the future, an effect that in the short run will hurt so badly that over the long run we will never gain back what we have lost. I wonder, is that what we need in Canada?

There are some definite alternatives at which we should look. Those alternatives do not have to be a value added tax system. They do not have to hit the poor. It is not a consumption type tax. One alternative is to cut the wasteful spending habits of this government, a government that increases taxes and spends more than it earns. We need not hit the social programs which we in Canada want, have fought hard for, and will continue to fight for; there are other methods. We can tax capital gains. We can phase down special tax breaks used primarily for upper-income people. We can revise the income tax rates and restore a full indexation system. Those are only some suggestions for the government. Another would be perhaps a wealth tax.

But Bill C-20 is simply part of this government's agenda, I would suggest, to fund its wasteful spending on the backs of the poor and the middle class.

Mr. Mills: Mr. Speaker, I would like to compliment my friend for his terrific speech this afternoon. The one thing that he addressed that I have strong views on as well is the fact that the disincentive factor in the administration of the tax system is so high and is depressing people, whether they be farmers, seniors, or families. The government's objective is to try to address the deficit but at the same time it admits that the taxes it is proposing in this current system are inflationary. The government admits that inflation will be a minimum of 2.5 per cent, which is going to have an effect on our interest rates. We know that every time the interest rate goes up an extra $1.4 billion is added to the cost of servicing the debt.

Does the member not think that the tax system has become so cumbersome because the government is basically using a band-aid technique? Has the government not put itself in a position where any potential advantage that it sought has basically now become a total disadvantage? I wonder if the hon. member could comment on that.

Mr. Whittaker: It is an interesting proposition, Mr. Speaker, and I think quite correctly stated, that in fact what has happened is that the government, in its rush to gain added income, has ignored some of the things at which it should have been looking. The problem with the inflationary aspect of course is this. I fully believe, after hearing a number of economists as well as people from across Canada, that this 2.25 per cent that they have talked about in the inflationary bulge is substantially under estimated. Perhaps the Canadian Federation of Independent Business was closer in its estimate at 4 to 5 per cent and the once only bulge. Certainly, from past experience we have seen—although we cannot get an assurance from the Governor of the Bank of Canada—he will not increase the interest rates as a result of inflation.

• (1630)

Past experience shows us very clearly that when inflation goes up, interest rates will also go up. As interest rates go up, consumption will drop. When consumption drops, of course, we have the domino effect: employment drops, businesses fail and we are into a major recession. A recession has been predicted. We already have all of the recessionary trends that show us, starting now, that probably by the end of 1990 and the start of 1991, with the advent of this tax—and without it even—we are going to have a recession. But with the goods and services tax it is going to be devastating. It is going to be something that we did not even see back in 1981. It is going to be totally devastating for the economy.

I think this is the type of thing that Mr. Johnston from the government of Alberta, a Progressive Conservative government, was talking about. He spoke of the effects of this tax and the wounds that will not heal even over a period of time. I think that is what Canadians have to be made aware of and made aware of now. It is not a matter of dropping the tax to 7 per cent and dropping the base. The very concept of this tax leaves a bad flavour in my mouth, and I would suggest in the mouths of most Canadians. It is something that we have to spit out and get rid of now.

Mr. Skelly (North Island—Powell River): Mr. Speaker, I must say that I, as well almost everyone in the House, enjoyed the thoughtful and clear presentation put forward by my colleague. It certainly brought to mind some of the communities in the riding I represent, places such as Bella Bella, Bella Coola and Klemtu communities that are going to have in excess of 10 per cent of the cash ripped right out of them. The price of goods that is already beyond the reach of many people in those communities will be again increased by at least 10 per cent by excises taxes and by the goods and services tax of this government.

I know that you, Mr. Speaker, were shocked and horrified at the scenario that my colleague laid out. But we take some comfort in the fact that there are solutions. The carefully proposed solutions that my colleague put forward are certainly reasonable. A reasonable government would adopt them.

The people in my riding, and not to the tune of 80 per cent, but almost to the tune of 100 per cent, are saying that there is a solution beyond the ones that my colleague has put forward. One is to get rid of this government. The Conservative Government is absolutely the worst organization that has ever been inflicted on the Canadian people. I know you would agree with me, Mr. Speaker. This outfit has come along and imposed income taxes and excise taxes far in excess of what is reasonable. It then turns around and threatens the very livelihood, the economic stability of this country with this terrible goods and services tax, or as it is called—the grief and suffering tax. My colleague would probably acknowledge that it is going to finish this government. It is certainly going to finish the Canadian economy and the well being of many citizens in it.

I wonder if my colleague would be prepared to comment on the real solution, that getting rid of the Conservative Government is the route to go in order to solve this major problem.

Mr. Whittaker: Mr. Speaker, unfortunately, as one of my colleagues over here has said, we cannot afford to wait three years. It is very difficult when you have a majority government. Hopefully, we can propose alternatives and have the government accept them.

One of the things that my friend stated in the preamble to his question concerned the small communities that he named off. It brings to mind one of the other things that will be hard hit in small communities besides some of the things that I have already mentioned such as tourism and small business, motels and hotels. It will be the cultural aspect. We are told by the radio broadcasting people that small town radio stations will now be threatened as a result of this tax, the things that small towns look to for communication between themselves and among themselves. Not only has the government cut down on what it is putting into the CBC, one of the things that many small communities depend on, but with the goods and services tax it is going to be hitting out at the communications of small communities, radios newspapers and some things such as theatre, art, the various things that people in small communities are so dependent upon.

Again, they talk about not having to charge the tax because you are under $30,000. It is all complex. It is much too complex for the person in small communities. All it does is cause them more problems. It causes more business failures. In the area of culture and communications, it causes failure. Again, it is hitting at the small communities. We are not the same out there in those little communities. We need much, much different things than they do in the large cities. Those are the things that are being hit now by this particular tax.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am happy to have the opportunity to rise to speak on Bill C–20 today. I think we have heard enough today about the specifics of Bill C–20 in terms of the federal sales tax increases, the 18 per cent to 19 per cent on alcoholic beverages and tobacco products, the 10 per cent to 11 per cent on telecommunications, the 8 per cent to 9 per cent on construction materials and the 12 per cent to 13.5 per cent on all other taxable goods.

I would like to address another issue today which I think the government is overlooking. There is a feeling in the community that the government has really lost its sense of caring. There is a feeling that the government has really lost the sense of compassion that a government should have. There is a feeling that the government is just plain indifferent to the frustration that all Canadians face when it comes to taxes and tax reform.

I, for one, think that most Canadians respect the fact that it is the government's responsibility, its duty, to make sure that we handle the economic affairs of this country in a proper and productive way. I do not believe that Canadians really begrudge the government attempting to do its job. I think what people were looking for, and I think what people trusted during the last election, was that the Prime Minister and the Minister of Finance when they approached tax reform would approach it in a more comprehensive way. We all know that—and I speak for my riding and I know there are many other ridings that feel the same way—the entire tax system is flawed.

When you take a look at the act, you see it is 1,666 pages. There are another 140 different sections on interpretations. There are exceptions to exceptions. There are guidelines to the rules and interpretations of court decisions that have been taken. People have such a frustration with the tax act and the tax system in general right now that there is a mood in the country that is providing a lot of disincentive. It is providing disincentive to our senior citizens who have worked their lives to make this country great. There is a disincentive to our entrepreneurs who want to be free to create and utilize their energy in making products that will, in turn, create jobs for Canadians. These products have to be made at such a level of quality and productivity that we are world class competitive. Just as we were coming out of the tough years of 1982 to 1984 and heading into a period when the economy was starting to really move again in 1985 to 1988, there was a sense of hope held by the entrepreneurs and many others in this country that we were finally going to put ourselves back on track.

• (1640)

What we have done with this tax system is shackle the entrepreneurs. We have provided a tremendous frustration level. I do not just point to entrepreneurs. Seniors citizens come to my constituency office. They do not know where to begin when they have 45 pages of rules and regulations and they try to figure out the tax system we have in this country. The frustration is just absolutely incredible. I know Revenue Canada does provide some service during peak periods, but this government should be approaching tax reform in a comprehensive way. It has not had the courage to do so.

I listened to the Minister of State for Finance speak this morning. He talked about the fact that this government has made progress on reducing the debt. I could not believe my ears. This is a man who understands the financial affairs of this country. It is no secret that there were some tough times in this country from 1980 to 1983. The debt ballooned because we had the worst recession in Canadian history. Our social service programs were called on with vigour. We needed those systems in place to ensure that unemployment insurance and all other social services were there to look after the disadvantaged in this country. That situation was not unique to Canada. It was a world recession.

From 1984 to 1988, one of the best periods in our economic growth, the government managed to double the nation's debt. In a period when the government should have lived up to its commitment of 1984, when it said it was going to address the deficit, it just basically ignored it. There was no reason to ignore it because the economy was booming along quite nicely.

Not only has the government doubled the debt, and continues to add to the deficit, but it comes into this Chamber and states it has made progress on the debt. I find that strange because I believe the central issue in the next election will be trust. Just like free trade was the issue in the last election, the issue in the next election will be trust.

When the Minister of State for Finance comes into this House today and states that the government has made progress on reducing the debt, I think he is really setting his government's trust factor back tremendously.

He went on to say that those who cannot carry this tax will be exempt. He has missed the point again. The hon. member from the New Democratic Party, the hon. member from the Okanagan, talked about the frustration farmers were having in filling out rebate forms. It is not just farmers who do not want to go into the business of filling out rebate forms every quarter. What about the taxi drivers? What about families? They do not want to go into the business of constantly having to fill out rebate forms.

In my city of Toronto there are over 10,000 taxi cab drivers. This system that the government and Mr. Wilson is proposing is bureaucratizing the entire nation. It is an incredible thing, and I just cannot fathom why they would want to have everyone in this country bureaucratized. It is a mystery to me.

The thing that really bothers me is the tone of the government. A colleague of mine who is travelling the country with other colleagues was telling me just before I came into the House today that the level of passion from all sectors, not just from seniors and entrepreneurs, but from tax experts, tax lawyers who are experts, the Canadian Federation of Independent Business, the Canadian Race Track Association, some of whom have been traditional supporters of the government, is something that has never been seen in committees before. They are saying, "Please, Mr. Wilson, come to your senses and do what is right". Doing what is right would be going back to the drawing-board.

I for one do not think it is any big mark on one's career to stand up in this House after listening to the people of Canada for many months to say: "Look here, I have listened to the people of Canada. I am withdrawing this and going back to the drawing-board".

I have immense respect for the Minister of Finance. I have known him for many years. I think he is a great public servant. But I cannot understand his rigidity, his lack of willingness to explore other options. He is sitting in the Department of Finance with a staff of about 3,000 public servants, some of the best and brightest people in Canada. He has access to whatever he wants in the country because of his position. I cannot believe that in his heart of hearts he believes that what he is doing now is the only way and the right way for Canada.

I think that he knows in his heart that this is not good for entrepreneurship. It is not good for senior citizens. It is not good for the regions. It is not a good system. I am hoping that eventually he will muster the courage to go back to the drawing-board. We as constructive parliamentarians who must listen to all people, would have a lot more respect for the minister if he stopped walking along this current road, in an almost in a self- righteous fashion, something which has not been his tradition.

When I think of Bill C-20, which I am addressing mostly, I see there is absolutely no sensitivity to the north. We on this side of the House spent several days in the eastern Arctic during the summer. We had a policy meeting up there. We all love the north but we do not realize—and I for one forget—that it costs more in the north to buy vegetables, meat, and turkey. We saw a turkey that cost $120. In most parts of the country we might pay about $30 or $40, but in the north it costs $120. How do mothers and dads clothe their kids in the north? How do they pay for groceries? It is not right.

• (1650)

The way this country was built was by being regionally sensitive. If ever there was a region in this country today that needs special sensitivity it is the Northwest Territories. I would urge all my fellow members to take a trip to the north. I can tell you, you will come back with a totally different perspective. You will come back with pride, but at the same time you will have a feeling that all too often we in this House forget about some of the hardships, the frustration and the lack of opportunity for northerners. When we went into the supermarket in the north, yes, there was a good selection, but it was certainly not the kind of selection that you can get at Boushey's in downtown Ottawa or some of the other stores, or some of the stores in my riding on the Danforth.

The Minister of Finance and the Minister of State for Finance are projecting an attitude that is too insensitive. It is turning people off. I have mentioned before we are not the government. All we can do is bring the views of other Canadians to this chamber. Yes, they do have the majority vote. Just because you have the majority vote does not mean you have to continue with blind arrogance. It is not right.

We have to get a style and a system going in government where once we realize that we are doing something that is incorrect we fix it. We have the courage to fix it.

I think Canadians want their government to come up with a responsible plan. They want an end to the 50,000 pages that comprise the tax act. I do not think this feeling is unique to any one region, sector or social group. I think it is all Canadians. They want us to come forward with a system as the Minister of Finance promised in 1985, 1986 and 1988, which is more fair, simple, efficient and workable. If the Minister of Finance and the Government of Canada came up with a system like that we could reignite our economy.

The Minister of State for Finance said: "The additional revenue raised through these measures, the measures to amend the excise tax, are estimated at $2 billion in the first full year". The thing that I did not hear him deal with was the inflation factor of 2.5 per cent. If we went along with the Canadian Federation of Independent Business, we would see it estimates 5 per cent. We are talking about an extra three or four percentage points on the interest rate. That could be an added cost to the deficit of as much as $4 billion to $5 billion.

I stand to be corrected on that. But I know one thing. The $2 billion in revenue will virtually be eliminated for sure. It will be eliminated by the interest rate differential because of the increase in inflation.

My hon. friend from Halton—Peel shakes his head "no". He is a respected business commentator and now a member of Parliament for whom I have great feeling. If I am not accurate in that, I stand to be corrected, but I would like a thorough explanation on that. I have talked to economists and bankers. They are afraid that the inflationary effect of the GST is going to really affect our investment climate from abroad. That investment climate, once it is affected, will have an effect on our interest rate. Even now the Minister of Finance does not really have a will strong enough to give a direction to the Governor of the Bank of Canada. I presume that the reason why he is not doing that is because he is naturally concerned about inflation.

If he is concerned about inflation with the current interest rate, then why would it not be logical with an added inflation rate, because of this complicated tax system, that it would also affect our interest rates? That is the point that I am trying to make.

At any rate, I think that all too often in this House we forget about the disincentive factor. We are through Bill C-20 and the goods and services tax demoralizing our nation. I know that because I hear from people all the time. I will give just one short story.

Mr. Speaker, how much time do I have?

The Acting Speaker (Mr. Paproski): Your time has expired. Since it is getting awfully close to five o'clock I will let you have another couple of minutes.

Mr. Mills: I would like to tell one final story, Mr. Speaker.

Last weekend I met a man who was in the marble tile business. His business was doing well. But his problem was that he could not find quality trained people who would work on weekends because of the disincentive factor of the tax system. People are saying: "I work all weekend but I end up keeping only 30 per cent to 40 per cent in my pocket". That is what I mean by the disincentive factor. I think it is time that we look at that when we approach this tax system. I think it is time that the government go back to the drawing board and worry about turning on the nation rather than turning it off.

Mr. Turner (Halton—Peel): Mr. Speaker, I just want to respond a little to the hon. member's views on interest rates. I will do it very quickly.

I know that the member has done a great deal of work on the issue of tax reform and I salute him on that. The issue of the inflationary effect of the proposed tax and the response to it by the Bank of Canada needs to be more than a knee-jerk one.

The Bank of Canada Governor has appeared before a parliamentary committee. He has said that he understands the threat of having higher interest rates responding to any GST induced inflation. He has told the parliamentary committee that he will not respond to GST induced inflation by jacking up interest rates. So we have some assurance from the Governor of the Bank of Canada himself on that.

We all recognize the real threat posed to the government's long term ability to manage the debt that is posed by interest rates. I agree with the hon. member on that very real threat. The only way we can get lower interest rates in the long term is to address the debt problem. Simply lowering rates to accomplish that is a very facile solution.

The Acting Speaker (Mr. Paproski): The hon. member has 30 seconds.

Mr. Mills: I did not want you to think that I was ignoring the debt. But, at the same time, I would like to know how the Governor of the Bank of Canada can differentiate between GST inflation and whatever other inflation is out there. If he can, then we will try and draft it.

The Acting Speaker (Mr. Paproski): The hon. member will have another six minutes remaining in questions or comments when we take this matter up again.

It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

FOOD AND DRUGS

LABELLING OF DRUGS

The House resumed from Monday, June 19, 1989 consideration of the motion of Mr. Dorin:

That, in the opinion of this House, the government should consider the advisability of amending the Food and Drug regulations in order to require the labelling of all drugs, irrespective of their intended use, so as to include a qualitative list of all medicinal and non-medicinal ingredients.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Paproski): We have a deferred vote this evening pursuant to Standing Order 45(6). We can either start ringing the bells now, if we have unanimous consent, or suspend the sitting until six o'clock.

Some Hon. Members: Suspend.

SITTING SUSPENDED

The Acting Speaker (Mr. Paproski): I hereby suspend the sitting until six o'clock.

The sitting of the House was suspended at 5:02 p.m.

SITTING RESUMED

The House resumed at 6 p.m.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

The House resumed from Friday, October 20, consideration of the motion of Mr. Mazankowski that Bill C-36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee; and the amendment of Mr. Foster:

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

"Bill C-36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be not now read a second time but that it be read a second time this day six months hence."

The Acting Speaker (Mr. Paproski): It being six o'clock, pursuant to Standing Order 45(6) the House will now proceed to the taking of the deferred division on the amendment in relation to Bill C-36.

Call in the members.

The House divided on the amendment, which was negatived on the following division:

(*Division No. 88*)

YEAS

Members

Althouse	Arseneault
Assad	Bellemare
Benjamin	Boudria
Butland	Callbeck
Campbell (South West Nova)	Catterall
Clancy	Comuzzi
Dionne	Ferguson
Finestone	Fisher
Fontana	Gaffney
Gagliano	Gauthier
Gray (Windsor West)	Guarnieri
Harvard	Harvey (Edmonton East)
Hopkins	Hovdebo
Kaplan	Keyes
Kilger (Stormont—Dundas)	LeBlanc (Cape Breton Highlands—Canso)
MacLellan	Manley
Marleau	McGuire
Milliken	Mills
Murphy	Nault
Nystrom	Ouellet
Pagtakhan	Phinney
Pickard	Proud
Robichaud	Rocheleau
Rodriguez	Samson
Skelly (North Island—Powell River)	Skelly (Comox—Alberni)
Speller	Stewart

Stupich
Tobin
Whittaker
Young (Beaches—Woodbine)—59

Taylor
Wappel
Young (Gloucester)

NAYS

Members

Anderson
Atkinson
Beatty
Bjornson
Blenkarn
Bouchard (Roberval)
Boyer
Browes
Cardiff
Champagne (Champlain)
Clark (Brandon—Souris)
Collins
Côté
Crosbie (St. John's West)
de Cotret
Dobbie
Dorin
Epp
Feltham
Fontaine
Gibeau
Greene
Halliday
Hogue
Horning
James
Johnson
Kempling
Langlois
Leblanc (Longueuil)
Littlechild
Lopez
Martin (Lincoln)
Mazankowski
Monteith
Nicholson
Plourde
Reid
Ricard
Robitaille
Scott (Victoria—Haliburton)
Siddon
Soetens
Tardif
Tremblay (Rosemont)
Venne
Vincent
Wilbee
Assiniboia)
Winegard

Andre
Attewell
Bertrand
Blais
Bosley
Bourgault
Brightwell
Campbell (Vancouver Centre)
Casey
Chartrand
Cole
Cook
Couture
DeBlois
Desjardins
Domm
Duplessis
Fee
Ferland
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Hawkes
Horner
Jacques
Jelinek
Jourdenais
Koury
Layton
Lewis
Loiselle
MacDougall (Timiskaming)
Masse
McDermid
Moore
Nowlan
Porter
Reimer
Richardson
St-Julien
Shields
Sobeski
Sparrow
Thompson
Turner (Halton—Peel)
Vézina
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—99

• (1825)

The Acting Speaker (Mr. Paproski): I declare the amendment lost.

The hon. member for Elk Island on a point of order.

Mr. O'Kurley: Mr. Speaker, I was not able to make it until after the vote started. I would like my vote to count with the government side, please.

Mr. Lewis: Mr. Speaker, we have now had reasonable discussion on this bill and, in the interests of being able to put it to committee and get on with the very valuable committee work, I wonder if there would be a disposition among the opposition parties to apply the result of the last vote in reverse to the motion for second reading ,in order that the farmers of Canada will receive these payments.

Mr. Gray (Windsor West): Mr. Speaker, the farmers of Canada have already spoken. They have said no to this bill. Therefore we cannot accept my hon. friend's suggestion.

We did make some suggestions to him on how it might be possible to deal with the needs that are supposed to be dealt with by this bill. We put forward three suggestions. We have not received a positive response. If we get a positive response we will be willing to talk about expediting second reading.

The Acting Speaker (Mr. Paproski): I do not believe that there is unanimous consent.

It being 6.30 p.m. this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Tuesday, October 24, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to five petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

ORDER IN COUNCIL

TABLING OF APPOINTMENTS AND REFERENCE TO STANDING COMMITTEES

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

While I am on my feet, I move:

That the House do now proceed to Orders of the Day.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 89*)

YEAS

Members

Anderson	Atkinson
Attewell	Beatty
Bertrand	Bjornson
Blackburn (Jonquière)	Blenkarn
Bosley	Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)	Brightwell
Browes	Campbell (Vancouver Centre)
Casey	Chadwick
Champagne (Champlain)	Chartrand
Clark (Brandon—Souris)	Cole
Collins	Cook
Corbeil	Côté
Couture	Crosbie (St. John's West)
DeBlois	de Cotret
Desjardins	Domm
Dorin	Epp
Fee	Feltham
Ferland	Fontaine
Friesen	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Halliday	Harvey (Chicoutimi)
Hawkes	Hogue
Holtmann	Horner
Jacques	James
Jelinek	Johnson
Jourdenais	Kempling
Kilgour (Edmonton Southeast)	Koury
Langlois	Layton
Leblanc (Longueuil)	Lewis
Littlechild	Loiselle
Lopez	MacDougall (Timiskaming)
Martin (Lincoln)	Masse
Mayer	Mazankowski
McCreath	McDougall (St. Paul's)
Monteith	Moore
Nicholson	Nowlan
Plamondon	Plourde
Porter	Pronovost
Reid	Reimer
Ricard	Richardson
Robitaille	St-Julien
Shields	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Thompson
Tremblay (Rosemont)	Turner (Halton—Peel)
Venne	Vézina
Vien	Vincent
Weiner	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)

Wilson (Etobicoke Centre) Winegard
Worthy—103

NAYS

Members

Allmand Althouse
Angus Arseneault
Bellemare Benjamin
Bevilacqua Boudria
Brewin Butland
Callbeck Campbell (South West Nova)
Catterall Clancy
Comuzzi Dionne
Ferguson Fisher
Fontana Gagliano
Gauthier Gray (Windsor West)
Grey (Beaver River) Guarnieri
Harb Harvard
Harvey (Edmonton East) Heap
Hopkins Hovdebo
Kaplan Karygiannis
Keyes Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam) LeBlanc (Cape Breton Highlands—Canso)
Lee MacDonald (Dartmouth)
Manley Marleau
McGuire Milliken
Mills Nault
Nunziata Nystrom
Peterson Phinney
Pickard Proud
Rideout Riis
Robichaud Robinson
Speller Stewart
Stupich Taylor
Vanclief Wappel
Whittaker Young (Beaches—Woodbine)—62

The Acting Speaker (Mr. Paproski): I declare the motion carried.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT

ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-21

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada) moved:

That, in relation to Bill C-21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, not more than one further sitting day shall be allotted to the consideration of the report stage, and two sitting days to the consideration of the third reading stage of the bill; and

He said: Mr. Speaker, I am pleased to have the opportunity to address this very serious motion which will be welcomed by members from all sides of the House. I would not be surprised if, when the recorded vote is taken, it is a unanimous vote.

I think it is fair to say that the House will know that this particular bill has had a great deal of debate. It is one of the few legislative bills on which the members of the committee had an opportunity to travel throughout the country. The country is still talking about those travels, and just how welcome this news was. I specifically refer to my friend from Burlington who was so well received in the maritimes.

These changes, as the House and the country will know, are made to enable the government to use unemployment insurance funds for training. In the past the Liberal way of using unemployment insurance funds was just to send people a cheque. We have been training people with unemployment insurance funds for years now.

The Liberals object to this fundamental change. They would rather send people a cheque and have them kept on the unemployment insurance rolls. The way we have done it is to take them off the unemployment insurance rolls, and we have created 1.5 million jobs. Those people are now paying unemployment insurance premiums. We are going to drag the Liberal party, kicking and screaming, into the 21st century.

We think there has been ample debate in committee, and I think you will find that the amount of time required at report stage, which is a further day, is ample. There are a lot of repetitive speeches. I know my friends opposite do not like repeating themselves, but they have been. Really, we are simply saving them from themselves, from further regurgitation of *Hansard*.

There will be one further day at report stage, two at third reading, and this bill will go down to the Senate. I would not be surprised if it is back from the Senate in a day because that place will see it as progressive legislation, legislation which the Liberals never had the nerve to pass when they were in government. Had they done so they would have been a little better off; there would not

be so many of those Liberal hacks and flacks sitting in the Senate as appointees.

• (1150)

I do not intend to speak for very long today. As I sit down, let me say that the Opposition will probably want to vote on this bill immediately so I will not use up all of my 10 minutes.

Mr. Milliken: Mr. Speaker, I rise on a point of order. The Minister of Justice knows that it is contrary to the rules of the House to refer to the other place in derogatory terms. We have just heard him use words that I would not repeat and that I submit are unparliamentary. I ask that he withdraw them because they are contrary to the rules and practices of this House.

The Acting Speaker (Mr. Paproski): I am sure that the hon. minister has forgotten what he had said, and I am sure he will rectify it. We do respect the other place, and I am sure the hon. minister realizes that.

Mr. Lewis: Mr. Speaker, I have the utmost respect for the other place. I would want to know whether my friend objected to me calling them Liberal hacks or Liberal flacks. Which word should I withdraw first, the flack or the hack? Are there more flacks than hacks?

I will withdraw them both, Mr. Speaker, and I would not in any way want to cast any aspersions on the eminence of the appointees made over the period from 1967 to 1984. I would simple assure my hon. friend that for the next 20 years they are going to be better.

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, I just listened to the intervention made by the Minister of Justice with respect to this closure motion. I expected at least that the minister would make some attempt to justify this motion after one day of debate. All we heard was flippant, arrogant rhetoric which is the usual thing we have come to expect from this government.

Here we are once again faced with a closure motion on an extremely important bill after one day of debate. This is a measure which affects millions of Canadians. The unemployment insurance system last year paid out benefits to 2.2 million Canadians, Canadians who were obliged to claim under this program because they were put out of work against their will and needed that money to pay for their groceries and rent, to send their children to school, and so on.

This is the largest social program in Canada, a $13 billion program, and the government, in this bill, is cutting and slashing at this particular program. It is cutting off debate after one day by putting in a closure motion. On October 16, a week yesterday, we spent less than four hours debating 53 amendments at the report stage. Yet, the government saw fit today to bring in this motion.

Traditionally motions of this kind were only brought in when there was evident obstruction. I challenge the government or anybody who is associated with the government to show any kind of obstruction. The Speaker himself had organized those 53 amendments into 12 groupings. In the less than four hours that we have already debated this bill we have only been able to debate the first grouping of the 12 groupings that you yourself, Mr. Speaker, had organized for debate.

I want to point out that this type of action is the action of the most cynical, the most totalitarian government that I believe we have had in this country since Confederation. This government, since 1984, has introduced closure more times than all governments since the Second World War put together.

I am willing to bet that the number of times closure has been used by this government is more than that used by all governments since Confederation. In the 23 years that I have been here, from 1965 to 1984, I would say that closure was used maybe once or twice a year. This government uses it on almost every bill and it does it in a cynical and manipulative way. Conservatives try to make sure that Canadians do not know what is being done to them by this repressive legislation.

They put three or four very complex measures to Parliament, we carry on debate for one or two days, and then they impose closure.

This government totally misunderstands the role of Parliament in a democratic system. I venture to guess that it totally misunderstands democracy. The Conservatives believe, because they won a majority of seats in the 1988 election, that they have the right to ram through Parliament any type of measure that they please.

What they forget is that although they won the majority of seats in 1988, they did not win the majority of votes in this country. They won about 47 per cent of the votes. The combined opposition parties, the Liberals and the New Democrats, won approximately 53 per cent of

the votes and the government party only won a majority in two of the ten provinces of Canada. It won a majority of votes in Quebec and it won a majority of votes in Alberta. It did not win a majority in any other province. It did not win a majority on an over-all basis in terms of popular vote.

Even more important, this bill was not part of the program that the Conservatives put to the people in 1988. As a matter of fact, in the election campaign of 1988 they said exactly the opposite to what they are doing now. Time and again we have quoted the words of the hon. Minister for International Trade in St. John's, Newfoundland, who said during the election campaign in response to a question that they would not touch the unemployment insurance system, that they would not cut the unemployment insurance system, and he said that he had that confirmed from the Prime Minister.

Here we have a bill which seriously slashes the unemployment insurance system. The government itself admits that it is reducing regular benefits by $1.3 billion and that it is recirculating that money for development and for training. I will deal with that in a second. It did not put that measure to the people in 1988.

Here the Conservatives are, on this bill which does exactly the opposite of what they said in the election, imposing closure after one day of debate at the report stage. That is bad enough, but I want to recall to you, to the House and to the Canadian people that in the debate on second reading in the month of June, they imposed closure after two half-days of debate on second reading. We had one half-day of debate on Tuesday, June 6; then we had another half-day of debate on June 7; and then on June 21, they imposed closure and we had one full day of debate. At second reading, we had really two full days of debate spread over three days. That is all. Again, that was on a most important bill such as this one.

With respect to the committee, after a lot of hard driving and pushing by the opposition, we managed to get certain hearings of a legislative committee with respect to this bill. The hearings, unfortunately, were organized during the summer when a lot of private groups and a lot of voluntary organizations were on holidays, when they found it very difficult to respond to the advertisements that were in the newspapers.

Nevertheless, the hearings went ahead after a period of organization during the summer and some briefing sessions in the early weeks of September and we had three weeks of hearings throughout the country. We had one week of hearings in Ottawa. There were four weeks of hearings. We heard from a lot of groups. We heard from 202 groups, not as many as wanted to be heard, and we did not hear a lot of expert testimony, and 157 of those 202 groups opposed the bill.

The hon. parliamentary secretary says that we should dismiss the fact that 157 groups opposed the bill because a lot of them were trade unions and they all rehashed the same brief as the Canadian Labour Congress. That is extremely misleading and once again arrogant because the different labour congresses in the different parts of the country really represent the feelings of workers in those provinces, whether it is Newfoundland, Saskatchewan, British Columbia, or Ontario.

While of course there is something in common with the brief of the Canadian Labour Congress, there were also very specific references to the type of labour force, the type of work being done, the seasonal nature of that work, and the resource base of that work from province to province. In northern Ontario, it is mining and forestry; in the west, it is resource industries again, oil, gas and so on. There was not a rehashing of the same brief over and over. They were the same basic principles, yes, but not a rehashing.

• (1200)

Why does this bill deserve a lot more debate? To begin with, I do not think we on this side expect that by debating this bill we are going to convince those members on the other side because they are deaf to the problems of Canadians. They do not want to hear about the problems of Canadians.

Again, I repeat, the purpose of debate in this House, particularly through the media and through television, is to inform Canadians of what is being done to them by this very harsh and cruel legislation. That is the purpose of the debate. The government is cutting off debate so that Canadians will not know what is happening to them.

They will only know maybe next year when they make a claim on unemployment insurance and find that they do not qualify. That is the purpose of the debate.

This bill cuts back and makes it more difficult to qualify for unemployment insurance. It cuts back the benefit periods. It increases the penalties without solving some of the problems that lead to quitting and unemployment insurance.

The government is totally withdrawing its contribution to the unemployment insurance fund which has been traditional, which has been in the law up until now. Last year it was $2.9 billion. The government is withdrawing that contribution and is leaving the payment of unemployment insurance totally in the hands of the workers and employers.

As a result of this bill, people will be unemployed with no unemployment insurance and they will be forced to go to the welfare systems.

In addition, by withdrawing large sums of money, a total of $1.3 billion from the fund and benefits, the government is going to be taking a lot of money out of provinces that do not have much money; for instance, Atlantic Canada and some of the western provinces. This is money that went back into those communities to help the basic economies stay alive. The government is taking that money out and we do not know where it is going.

This, Sir, will be my final remark. The government justifies the bill, as the Minister of Justice did, on the basis that it is going to shift a lot of this money into training. We on this side are 100 per cent in favour of more training, but this government cut the training budget in Canada from $2.2 billion to $1.3 billion, by 32 per cent, since it came to office in 1984. The training budget has been slashed year after year. Now the government is putting that money back into training but taking it away from unemployed workers, money that should be there to help workers pay for their groceries and their rent when they are unemployed. The government is putting that money into training and we do not know in which areas of the country.

I believe my time is up but let me repeat that this is a dictatorial, arrogant measure being imposed after one day of debate. There has been no obstruction on this bill and this is totally intolerable in a democracy.

Some Hon. Members: Hear, hear!

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I would like to reiterate what the last speaker just said. This is one of the most totalitarian, dictatorial things that this government has ever done. When some of the members opposite were in opposition they knew what obstruction was. They are the ones who invented obstruction in this House. For 14 days they rang the bells. When they got into power, what did they do? They limited the ability of the opposition to do the very same thing they had done. Now the opposition can ring the bells for 30 minutes. I do not know what the multiplication factor is from 14 days to 30 minutes, but I would suspect that it is somewhere in the neighbourhood of 80, 90 or 100 to 1, and for the government to even imply that there has been any kind of obstruction on the part of the opposition on Bill C-21 is absolutely ridiculous and indefensible from its point of view.

What we have here is just another one of a series of cuts. The government is cutting financing for post-secondary education, cutting financing for health care and cutting VIA Rail. This is just another in a series of cuts and this time it is cutting time. I would suggest that when a government comes to a point where the only way it can defend an action—and this action is indefensible anyway—is to cut time, it shows how absolutely deprived of any kind of originality or any kind of defence it has in so far as the legislation it is proposing is concerned.

This legislation was introduced in the most glowing of terms. I am surprised, Mr. Speaker, as a matter of fact, that the government did not change the colours in the Commons to red from green, irrespective of what the colours of the other House are. It is a wonder the government members did not put out the red carpet is what I am saying, Mr. Speaker, because this legislation was introduced with some of the most glowing terms that you could imagine of any legislation introduced into this House.

The Minister of Justice indicated in his opening remarks that this legislation would "drag the opposition screaming and hollering into the 20th century".

An Hon. Member: You mean the 21st century.

Mr. Fisher: No, no, I think I was right. It may have been a Freudian slip but it was still right. We are getting dragged into the 20th century by this legislation, by this government. This certainly is not going to be a credit to

Canada or the 20th century in so far as working people anywhere in the world are concerned. This is the most devastating piece of legislation that has ever come to this House affecting Canadian workers. It has devastated a program which has been an absolute necessity to many parts of this country. In the last depression, it was able to save this country from the kind of devastation which we had experienced at the hands of another Tory government in the thirties, the Great Depression. It is because of the experience of that Great Depression that we have unemployment insurance, and it has been of immeasurable value to working people and all levels of society in Canada. There is not a merchant in this country who has not benefited since the introduction of unemployment insurance in Canada.

In many of the briefs which the committee heard as we travelled across the country, references were made to how important unemployment insurance was. The city of Sudbury was quick to point out how, when the nickel mining industry was so badly devastated because of the low sales of nickel world wide a few years ago, the unemployment insurance system was able to come to the rescue of the whole community. That is the kind of effect which the unemployment insurance has had. When the government introduced this legislation we were left with the impression that it was going to be—I do not like to use clichés but I suppose I must—the best thing since sliced bread.

To get back to what I was saying earlier, I cannot imagine why this government did not introduced it on a red carpet. But things change. The government did an impact study on what the effects of Bill C-21 would be. The government knew what the impact of Bill C-21 would be before it was introduced.

When we tried to get information on what the impact study had to say, the government would not give it to us. We went through the Access to Information Act to try to get information on what the impacts would be and we were refused access to information by this government under the law of the land through a loophole that says that if information is going to be made public within 90 days, the government does not have to release it. I don't suppose it would come as a surprise to you, Mr. Speaker, or anyone else in this country, to learn that information was not released within 90 days. It was a couple of weeks later than that.

The impact study on Bill C-21, which was introduced in such glowing terms, was released in the middle of the summer, the deadest, dullest time, the time when Canadians have the least interest in what is going on with regard to politics, a very safe time for the government to reveal to the country what the impacts of its devastating legislation would be.

• (1210)

The government did not roll out a red carpet to introduce the impacts of Bill C-21. I would suggest that what the government actually did was to sweep them underneath the rug, and I do not blame the government. I do not even blame it for introducing closure on this thing. The effects of this we heard when the committee went across this land, is so bad that if I were the government I would want to get this legislation out of the public eye just as quickly as possible because it is indefensible and indescribably bad.

What are some of the effects? Let us just look at a few comparisons. The government says, even in its own impact study, that 30,000 Canadians will no longer be able to avail themselves of unemployment insurance payments after Bill C-21 goes into effect. But, as is common with this government, it has a tendency, shall we say, to underestimate the negative effects of its actions. Other studies on the number of people who will be excluded totally range from the 30,000 that the government has suggested to as high as 150,000. The people in the Avalon Peninsula, because of longer working requirements, will have to work 11 weeks to qualify rather than the 10 now required. In that area alone, 10,000 people will be completely excluded from the ability to avail themselves of unemployment insurance which, of course, certainly puts in doubt the government's total number of 30,000.

I see my time is almost up, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Your time is up right now.

The hon. member for Burlington.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I want to thank the member for Saskatoon—Dundurn for his words of encouragement and support when he said

that he is pleased that we are bringing this bill forward and putting time allocation on it.

At the outset, I want to say a couple of things to perhaps put the record straight, if I may. I have heard members on the opposite side talk about this bill not being discussed during the 1988 election or not being mentioned at all. The inference is left that before you pass any legislation, you somehow or other must have it in your election platform and that is all that you do. Well I can remember when the 1980 peekaboo election was called and Trudeau just went across this country, bobbed and waved and weaved and said nothing, and yet brought in legislation. So let's stop the nonsense.

We have moved time allocation, the minister has stated, because agreement could not be reached with the opposition parties.

Mr. Allmand: After one day of debate.

Mr. Kempling: We have, Sir, endeavoured to reach agreement and have been open and accommodating from the beginning. When we had our organizational meeting in June we agreed with the member from Notre-Dame-de-Grâce on the cities that we should visit in each province. We agreed on how to deal with the Northwest Territories. We agreed on the number of witnesses we would have each day, 16 in number, and we agreed on the amount of time that we would allocate to each witness. We agreed to hear a wide variety of witnesses from many walks of life. In fact, Sir, we heard some briefs over and over and over again from national groups which have local affiliates across the country. We thought that we would hear the local version, but in most cases we just heard the national brief over and over, time and time again.

Mr. Fontana: You are saying the people across the country don't have a right to speak.

Mr. Kempling: All you have to do is read the record. Don't holler at me. You were not there so you would not know.

Mr. Keyes: We read the record about P.E.I. I read about you in the papers.

Mr. Kempling: What is in the papers? You have not read the record. You were not there and you should just close your lips.

Mr. Keyes: I read all about it.

Ms. Clancy: Trying to muzzle the opposition.

Mr. Speaker: Order. The hon. member for Burlington has the floor.

Mr. Kempling: Mr. Speaker, each witness was given 30 minutes to present his or her brief. Some used the time to present a brief, others accepted questions from the committee.

The committee on Bill C-21 was under a House Order to report by October 10. The House of Commons, of course, as we can see here today, is a debating forum and the opposition put forward motions to extend the committee hearings beyond October 10 which is its right.

Throughout the hearings, and particularly during the clause-by-clause considerations, members of the opposition used stalling tactics and time-wasting manoeuvres to slow down the process.

Some Hon. Members: Oh, oh.

Mr. Kempling: In spite of all that, we persevered and we did report on October 10, as required in the House Order.

I approached members of the opposition—and I know they love me dearly—to see what sort of debate they wanted on report stage and third reading. I asked what sort of debate they were looking for. After all, we have had second reading, the committee has travelled across the country as agreed to by all parties, and we have heard more than 200 witnesses. We have heard from the minister and departmental officials for several hours. My questions was, more or less, "What do you want from here on?" All I got back was, "Well, I don't know, we'll have to see".

We offered at that time to extend debate during the lunch hour, if that would allow the opposition more members to express their views. Of course, there was no response. We looked at our very full agenda and the calendar and concluded that there would be little or no co-operation to conclude the debate, so we used the perfectly correct parliamentary procedure of time allocation to indicate that we intend to bring the debate on Bill C-21 at report stage and third reading to a conclusion.

In the course of debate we must make progress. If we cannot reach an agreement with the opposition parties, we have two options; we can either conclude the debate or put the bill aside for some time. We are the government and we have put forward, through the Throne Speech and other policy announcements, our intention to amend the Unemployment Insurance Act. There was consultation with labour and various business groups.

The bill was drafted and passed by cabinet, introduced in debate, and then subjected to Canada-wide hearings, clause by clause, with the minister and her officials. The bill was finally, as I say, reported, as ordered, by October 10. Amendments were received and ruled upon by the Speaker, they were grouped for debate, and the report stage debate began.

• (1220)

Our task is to conclude the debate, after a reasonable amount of time. If we cannot reach an accommodation with the opposition, then we must use the rules of the House to complete each stage of debate and pass the bill along to the Senate for its consideration.

In order to show to the members that our heart is really in the right place, I move:

> That the House continue to sit through the lunch hour for the purpose of continuing consideration of the motion for time allocation on Bill C-21, an act to amend the Unemployment Insurance Act.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): Those members who oppose the motion will please rise.

And more than 15 members having risen:

The Acting Speaker (Mr. Paproski): Since more than 15 members have risen, the motion is deemed to be withdrawn.

Motion withdrawn.

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise today in a spirit of disappointment and sorrow at the action of this government. It is an understatement to say that this bill is unfortunate. It is unfortunate for Canadian workers, it is unfortunate for Canadian women, and it is unfortunate for Atlantic Canada. This bill is an undermining of the beliefs and sentiments that led to the creation of an employment insurance scheme in Canada. It is a complete reversal of policy upon which Canadian workers have depended for nearly 50 years.

Mind you, Mr. Speaker, I suppose one has to commend the government for the provisions to bring the act in line with the principles of non-discrimination as set out in the Charter of Rights and Freedoms. Call me a cynic, but this government's recognition of such principles comes after arduous battles before the courts for the inclusion of persons, the majority of whom are women, working for companies owned completely or largely by their spouses, and for the end of discrimination based on age. Once the courts beat them up, maybe now and again the government will act on principle.

I would also like to commend those motions before us that seek to recognize the importance of adoptive parenting, but I am proud to say also that these motions were authored by or inspired by my colleagues in the opposition.

We are limited to one day's debate—one day. What an insult to the women of Canada. This government acknowledges that the budget will increase Canada's unemployment rate. Women, as we all know, have higher rates of unemployment than men. The 1988 annual averages of unemployment were 8.3 per cent for women, as opposed to 7.4 per cent for men. Women fill over 70 per cent of part-time jobs. The majority of seasonal workers are women and immigrants. Women still face the "last hired, first fired" phenomenon.

But this government wants to limit debate on this bill to one day. Many women will no longer qualify for UI benefits. At present over 70 per cent of UI benefits are received by claimants with less than 50 weeks of work and 25 per cent by those who cannot get more than 20 weeks of work.

Women will also face, more than any other group, the brunt of the proposed double penalty for workers who quit their jobs without just cause or who decline an offer of "suitable employment". Women face more difficulties in finding jobs than many men. They change jobs more often than men because women still face a lack of opportunity for advancement, because mothers must perform the fine balancing act of matching job hours to child care hours and because sexual advances by employers may make for an impossible work situation.

The penalties are seven to twelve weeks of disqualification, rather than the current one to six, followed by benefits amounting to 50 per cent of average earnings, rather than the current 60 per cent. It is a nice message for the women and children of this country. That 50 per cent is the same rate paid in the United States. Here we go! Here comes our level playing field once again.

The government has acknowledged that it is justifiable to quit a job because of harassment, and believe me the women of Canada say thank you very much for this recognition of a universal fact. But it is time consuming and very difficult to prove. Although disqualification can be appealed, few women in this country have the time and the money to forgo all of their benefits and wait what could be months for a decision.

Women are often in the poorest paying jobs. They often work part time because they cannot find full-time work. Should they be trapped in poverty wages forever? I guess that is the theory of the government, to one day prevent the people of Canada from finding out exactly what is going on here, one day to prevent the people of Canada from remembering the false promises of the Minister for International Trade during the 1988 election campaign.

A recent article in the magazine, *Women's Education*, states: "The privatization of training as a systemic trend is detrimental to women in particular. A radical shift to funding the immediate training needs of business using taxpayers' money will not overcome the occupational segregation of women. Indeed, it may well reinforce it. Social and economic equality for women can best be promoted by the public and non-profit sectors which are concerned with the needs of the trainees and of society, not simply tomorrow's balance sheet".

That is what we have here; a bill that is concerned with tomorrow's balance sheet and probably a balance sheet that is drawn in the United States of America.

The policy and planning branch of Employment and Immigration published a study last August. It identifies the 10 occupations that will contribute most to employment growth in the 1990s; sales people, food services, secretaries, cooks, cleaners and cashiers. Need I say more?

The government is funnelling money from the UI account into private sector training. A study by the Canadian Association of Adult Education shows that private programs assign only 25 per cent of training programs to women—25 per cent for 52 per cent of the population.

The government failed to develop a comprehensive job strategy so it is training workers for jobs that do not exist and ghettoizing women through punitive UI measures into accepting the low pay, low skill jobs. The more things change, the more they are the same, and the less and less the cries of women in economic exigencies are heard by our friends on the other side of the House.

In its 1987 report, the sub-committee on training and employment of the Senate Committee on Social Affairs, Science and Technology wrote: "The Canadian Jobs Strategy should moderate its emphasis on private sector training in regions with a poorly developed private sector".

This government is proposing the federal pull-out of the unemployment insurance system. This government is backing out and taking $2.8 billion with it. Who will take up the slack? Employees and employers will contribute more to the fund and the unemployed will pay by finding themselves ineligible for UI benefits or facing a drastic reduction in their benefits. Eight hundred million dollars will be redirected to private sector training. Will that help Lockeport, Nova Scotia? For what jobs will that workforce be trained?

I find the government's suggestion deeply offensive to Canadian workers and an affront to the principles upon which our UI system is based, principles, by the way, to which Canada is a signatory in the International Labour Organization.

When our UI system was created in 1940, it was seen as essential that the federal government should finance its share of the cost so that the system would be a national one and the federal government would assume its responsibility for economic stability and the maintenance of low levels of unemployment. Given this government's performance to date, I can see that that commitment no longer exists.

This government is wreaking havoc in the lives of Canadians. The proposed dismantling of our UI system is consistent with this government's dismantling of the

financial well-being of lower and middle income Canadians and the economies of the regions of Canada.

• (1230)

It is not the unemployment insurance system but rather the high level of unemployment which constitutes a fundamental economic problem in Canada. But maybe that truth is a little too difficult for this government to comprehend.

Hundreds of workers in my city of Halifax are facing unemployment at the hands of this government. Now it is telling them that even their UI benefits are to be cut.

This government's decision to end the At and East rail subsidy has put the Halifax grain elevator in immediate peril. Estimates by the Atlantic Provinces Transportation Commission put the loss to Halifax by the closure of the elevator at $14.4 million. The spin-off from such a closure will further devastate the economies of Halifax and Nova Scotia.

The Maritime Farmers Council estimates that two-thirds of hog producers and one-third to one-half of the egg producers in the region will be out of business if the elevator closes. A 1988 impact study on the port of Halifax prepared for Ports Canada shows that more than 450 jobs and $13 million could be lost in the city if the elevator closes.

We are talking about the unemployment of longshoremen, stevedores, truckers, rail workers, terminal operators and all those other people who are facing the loss of their livelihood when this government begins its domino theory in the economic system of Halifax.

This government has cut vital portions of VIA Rail service. They put the maintenance centre in peril. When those Haligonians who used to have a job go to the unemployment centre, this government will be responsible. When these workers want to collect their benefits, they will be told that their eligibility has been raised from 12 to 18 weeks. So they are not eligible; or if they are they will be told they are now only eligible for 21 weeks of benefits when they used to be eligible for 28 weeks.

The government is asking the workers of Halifax to pay more for UI, to pay longer for UI and to accept less from UI should they lose their jobs. The government has mismanaged the economy of Nova Scotia to the verge of extinction. It has mismanaged the inshore fishery by imposing drastic quotas putting hundreds of workers in the fishery out of jobs. How does it choose to make up for its own mismanagement? It imposed drastic tax measures while cutting vital subsidies such as rail service, transfer payments and now it is pulling out of UI.

The government says the onus is on private sector training, and they want the workers to pay for it. The question in Halifax and in Nova Scotia generally is: training for what jobs?

There has been a failure to develop a comprehensive job strategy. Now it plans to train workers for jobs that do not exist. I sat in on the UI hearings in Halifax. I heard a colleague from the other side of the House, who is present here today, tell the Acadian Federation to move or starve. This is not something that we appreciate in the maritimes and we will remember it for a long time.

The government has given the unemployed and soon-to-be unemployed of Halifax two options. One is to go on the over-strained social assistance. Well, we will not accept it, Mr. Speaker. The Halifax social assistance problem is facing a huge shortfall. The people of Halifax know this. The workers of Halifax know this, and they know who did it to them.

[*Translation*]

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I welcome the opportunity this morning to take part in the debate. A few minutes ago, I saw opposition Members objecting to a suggestion that the House continue sitting during lunch hour and that while this morning, they were criticizing the government for trying to limit—for making arrangements to have the debate go on for a few days more and then ending the debate so that we can proceed with other business. I find this attitude hard to understand. On one hand, they don't want the additional time we are giving them, but on the other hand, they object to our terminating the debate at a given time.

Mr. Speaker, during the hearings we held across this country on Bill C-21, the proposed unemployment insurance reform, we heard 202 groups during nearly four weeks of hearings. It is true that many groups

showed, if we can call it that, their opposition to the present bill.

However, Mr. Speaker, what the opposition did not say is that there was a kind of report, something you could call a work-plan, that was circulated across this country, and many groups, many unions, for all practical purposes, biased the debate by keeping the same text and only changing the figures according to local circumstances, and all this to be able to object to the bill.

We have heard all kinds of arguments, Mr. Speaker, in this debate on unemployment insurance reform. Some groups, people representing workers and unions, said it was all because of the free trade agreement and that we wanted to copy the United States. That is absolutely untrue, Mr. Speaker. There is nothing in this bill that is anything like what is happening in the United States with respect to unemployment insurance. The United States has 50 different unemployment insurance systems, while in Canada, we have one system for the whole country. In the United States, the unemployment insurance fund is about $22 billion in Canadian dollars. In Canada, the annual amount in the unemployment insurance fund is $12 billion. Considering they have 10 times our population, it should be $120 billion in the United States instead of only $22 billion.

So the two situations are entirely diffrent. We also have a number of social benefits that do not exist in the United States. Furthermore, our weekly benefits are much higher than in most American states, where benefits are much lower.

Mr. Speaker, as you know, as a result of the present unemployment insurance reform, there will be some very significant changes. Of the $1.3 billion we want to reallocate under this reform, $660 million will go to new benefits and supplementary benefits, including maternity and parental leave, which will now be far more substantial.

From now on, maternity leave will be 15 weeks, plus 10 weeks parental leave, which makes 25 weeks. This means new benefits and more maternity and parental leave.

There will also be an amendment at the report stage, Mr. Speaker, under which our government will provide five additional weeks for adoption. For instance, if the child is over six months of age when he enters the home, the spouse or one of the spouses will be entitled to five additional weeks, and the same number of weeks will be added to maternity leaves when the child enters the home, after an additional period of 6 months.

So I think this is a substantial improvement that deserves to be mentioned and that will benefit Canadian families.

Mr. Speaker, in addition to the $600 million for new benefits, $800 million will be spent on training. Initially, the unions, workers, and representatives of the New Democratic Party and the Liberal party didn't want this. They didn't want us to spend $800 million on training. Gradually, however, they started to change their minds. They said: It makes sense to spend $800 million on training. We can go along with that. But this is what they want us to do, Mr. Speaker: Go ahead, add $800 million, but take it out of taxpayer's pockets. Take it out of the Consolidated Revenue Fund. That is what they wanted us to do. And that, Mr. Speaker, is something Canadians cannot afford to do indefinitely. There comes a time when we have to call a halt to spending.

Canadians know that our total debt has now reached $324 billion. It costs us $100 million in daily interest. That is why today, the government is trying to act responsibly by taking the money we have and making it more productive by reallocating those funds and directing them to budget envelopes or programs that reflect our needs. And that is what we are doing under the present unemployment insurance reform.

Eight hundred million dollars will be used to train our workers. The opposition knows that, Mr. Speaker. Today, 30 per cent of Canadians drop out of high school before graduating. But what do we do with these kids? You know what happens. One or two or three years later, they are unemployed. We cannot deal with the problem, by leaving them on unemployment insurance, for weeks or even years. We have to train them, Mr. Speaker.

That is the difference between education and training. I would urge the hon. member for Saskatoon—Dundurn to listen to what I am saying. I think it is important. There is a difference between education and training. Education is when you are a full-time student at the CEGEP or university, and so forth.

• (1240)

When someone enters the labour market and then becomes unemployed because he doesn't have enough training, it is our responsibility as this country's elected representatives to try and use the money in the fund and train these workers to get them back into the labour force as soon as possible.

Look at the statistics of the Canadian Federation of Independent Business. You are familiar with those statistics. In 1985, 30 per cent of the business sector said they had trouble finding qualified workers. Three years later, in 1988, we are up to 50 per cent. These figures are significant, Mr. Speaker, and that is why we want to take $1.3 billion from the fund and reallocate it to meet the current needs of a society where these people must be trained.

Regarding the new system under which people will have to work 10 to 20 weeks to be eligible for unemployment insurance, all I can say is that in Toronto, where the unemployment rate is from 3.5 to 3.7 per cent, it is a lot easier to find jobs, and it makes sense that people there should have to work longer to be eligible, compared with the situation in the maritimes, for instance, or the Saguenay—Lac-Saint-Jean region, where we see unemployement rates of up to 12, 13 or even 14 per cent.

I believe our reform reflects the Canadian reality, the problems in some regions and the opportunities offered in others. I think this is very sensible.

Finally, remember when in 1977, under the Liberal Government, we went from 10 to 14 weeks for a person to be eligible for unemployment insurance. That year, in the maritimes more than 70 per cent of claimants submitted new claims for unemployment insurance benefits based on the new benefit period they needed. They needed two extra weeks, and more than 70 per cent were able to produce those extra weeks! I think these figures are quite interesting and need no further comment. We are doing the same thing today. We are trying to take money that is in the fund and reallocate it to programs that better reflect our needs.

[*English*]

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I was planning to have a rather pleasant lunch with an old friend of mine at one o'clock today, but after listening to that diatribe from the hon. member opposite I am not too sure whether it will be possible to have a pleasant lunch.

As usual, that member and others on his side of the House do not address the major issue. The major issue at hand right now is what they call time allocation. It is a kind of euphemism for closure. They maintain that there is a big difference between time allocation and closure. I would submit that there is not.

When it comes to closure, what are we talking about? We are talking about chopping off a debate, lopping off your head, clapping a guillotine on your neck.

[*Translation*]

Mr. Blackburn (Jonquière): Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Paproski): The Hon. Member for Jonquière, on a point of order.

Mr. Blackburn (Jonquière): I may remind the hon. member who referred to the guillotine that only a few minutes ago, the opposition refused to extend the sitting of the House during lunch hour!

[*English*]

Mr. Harvard: I cannot imagine, Mr. Speaker, what the man was talking about. But let us get to the issue at hand.

No, it is true that this is not closure, not an instantaneous chopping off of debate. It is not like dropping the guillotine on your neck. But I would submit to you that there is really no difference because what really is time allocation? It is a limitation of debate. What is a limitation of debate? They choke you slowly. They strangle you slowly. They squeeze the air out of you. When it is all said and done, you are dead on the floor. So let us not talk about any subtle differences here. What they want to do is cut off debate.

What they have said to the Canadian people, particularly to the unemployed and the poor is: "Be damned, you do not count. We are not going to listen to you. We are not interested in your talk".

I remember a rather famous gentleman, who lived perhaps a little bit more than 100 years ago. His name was Vanderbilt. He said: "The public be damned!" It did

not play well then, and it is not going to play well hearing it from this bunch in this particular century.

What are they afraid of after a measly three days of debate? Is this obstruction? Hardly. So what are they afraid of? Are they afraid of a little bit of democracy wafting into the House of Commons? It would be a terrible tragedy if we heard from the people. Would it not be terrible if the public representatives could stand up and speak on their behalf? No, they do not want that. They do not want debate. They do not want consultation. What it smacks of is repression. It is totalitarianism. It is dictatorial.

Do you know, Mr. Speaker, Pinochet would be proud of them. Honecker would be proud of them. There are all kinds of infamous people who would be proud. Another name that comes to mind is Noriega. You know these people have new champions, and they are over there. They do more than try to spoil lunch, they are trying to interfere with the business of the nation.

How many times have they invoked closure? In my opinion there is no difference between closure and time allocation. On this particular bill alone they have used closure twice—a dastardly action and they should be ashamed of themselves. In the free trade debate last December, they used it not once, not twice, not three, not four but five times. They used closure five times on the same bill. Is that an example of parliamentary democracy? Is that an example of responsible government? Not on your life!

I pulled the record having to do with closure. It is interesting, very interesting. In this century up until this government was elected, how many times was closure used? Was it 50 or 100 or a couple of hundred? If you measure the use of closure by this government, you probably would guess in the hundreds. But not true. According to my count, it is 23 times. Here you have a government using closure five times on one bill and twice on another. If you look through the record, you will see that in the Seventh Session of the Twelfth Parliament, 1917, it was not used one time. You can go through the list. In 1918 there was no closure, nor was there any in 1919, 1920, 1921, 1923, 1924, 1925, so it goes on.

Is this is a responsible government? Not on your life. The fact of the matter is though, and perhaps what is most troubling about it, is that we are not talking about some little picayune matter.

We are talking about a fundamental social program that has served Canadians well for over 40 years. We are talking about unemployment insurance. We are talking about a government that is going to decimate the program. We are talking about a government that is going to take close to $2 billion out of the fund. We are talking about a government that is going to privatize unemployment insurance. The government of the day is turning its back on the unemployment insurance program. It is turning its back on unemployed Canadians. It is turning its back on the poor of this nation. Those are the facts of the matter.

• (1250)

What do Canadians want? In the face of this major assault on this fundamental social program, what do Canadians want? They want to be heard. They want to be listened to. Do you think it is enough to put the committee on the road and visit 13 locations? All they received was 202 briefs. Of the 202 briefs, 157 were against it.

I met with a group just yesterday. That group pleaded with me and with the Official Opposition to give them more time and to give them a chance to explain to the country what this government is trying to do to this fundamental social program.

Is the government listening? Not at all. It is following the typical, right wing, oppressive agenda. It is all part of a pattern, part of privatization. You shut down VIA Rail. You shut down the post office. You shut down Air Canada. It all fits. Even this time allocation, this chopping off of debate, this approach of no debate and no consultation, fits as well.

For example, the government is intending to close down 14 military basis in the country. Did it consult? Did it approach anybody? Did it ask anybody? No, no, that would be beneath the government.

In closing, all I want to say is that we have a major program here which has been assaulted by the government. The government wants to cut it up and Canadians want to talk about it. They have not had the time. The government has to listen. Canadians have a long, long memory. This government thinks that a few more days of

debate is going to be a high price. Wait until the next election; the price will be much, much higher.

Mr. Peter L. McCreath (South Shore): Mr. Speaker, I am pleased to stand in support of this motion. Every three or four years we have an election in this country. The purpose of that election is so that the Canadian people can decide who is best suited to govern them. For the second election in a row of a majority government the people of Canada said they liked the approach, the sound economic management approach being taken by this government. They elected this government to govern. That is precisely what this government and this party are going to do.

We have heard a lot of rhetoric from the other side of this House today about the guillotine, about closure, and about cutting off debate. It seems to me it was some six months ago that these proposals were first tabled in this House. We have had six months of discussion, six months of debate and talk from all sides of this House and, indeed, from one end of this country to the other. My friends talk about the lack of an opportunity to discuss this bill. I remind them that in an unusual step we went to a legislative committee which went across the country to locations suggested, I might say, by members opposite.

We have heard at tedious length what people had to say about this bill. As my hon. friend from Burlington has pointed out, time and again, we had exactly the same brief presented to us. Now we are told that there is no opportunity to speak and to discuss this bill. It seems to me that what the people of Canada want to happen is that they want to see the government govern.

We could do as my friends opposite would like. We could discuss this bill for many, many more months and then the people of Canada would say: "We elected you to govern. Are you going to govern, or are you going to talk all day?" Then members opposite would say: "Hey, look at this government. This government does not govern. It sits around and talks all day."

This government governs. This government provides an opportunity for debate. When it is clear that members opposite are not interested in getting on with the nation's business, it uses the rules that were put in place, I might say, by the previous government which the hon. member who spoke previously now supports.

Why is it so important that we get on with this bill? It is because this bill is important to Canadians. It is part of a strategy, a strategy for the future of Canada that looks to the interest of Canadians; not one that looks back.

This government does not believe in paying people to sit home and do nothing. This government believes that Canadians are self-reliant, industrious individuals who want to prepare themselves for the 21st century. They are people who want full-time, meaningful, satisfying employment. That is why this bill is here, along with the other measures that this government has introduced.

We look to the future. We look to developing trade because through trade we have an opportunity to sell Canadian products. Through selling Canadian products, we generate wealth, economic activity and, indeed, we generate jobs for Canadians. This government does not look back. This government does not believe in building walls around the country and protecting ourselves from the world. This government believes in going out into the world and competing in the world because this government believes that Canadians are as good as any other people in this world, and we want to be a part of that.

We have confidence in Canadians. We are not afraid of Canadians and their limited ability. That is why we have put in place the Canadian Jobs Strategy along with the trade policies and the other economic policies of this government that are going to provide so much work to the benefit of this country.

That is why Canadians support this government. It is because of our sound approach to economic management. We believe that we have to have an effective unemployment insurance program as a safety net for Canadians, that the funds of that program need to be used for the benefit of Canadians.

Yet we have heard rhetoric from across the floor that Canadians are going to be disadvantaged by some of these new measures. We have heard, for example, that we should not have stiffer penalties for quitters, that this is a terrible thing. I wonder if members opposite are aware that in 1987, for example, there were over 375,000

claimants who were voluntary quitters and that this drew $1.2 billion from the unemployment insurance fund.

I want to tell you, Mr. Speaker, that this government believes those funds can be more effectively utilized for the benefit of Canadians, to prepare them for the many high-tech jobs and other kinds of employment which are being created on a daily basis by this government. Over the last five years, 1.5 million new jobs have been created in Canada. That is an impressive record.

It is interesting to note, for example, that when the voluntary quitter provision was reduced from six to three weeks in 1971, within a year, two and a half times was the increase in the number of voluntary quitters. In 1976, when it was put back up again, the number of voluntary quitters dropped by one-third. The records and the facts speak for themselves.

Similarly we have heard a lot of talk about entrance requirements being increased. It is interesting to note that the experience of the previous government—and they have short memories over there, it seems—was that with the increased entrance requirements in 1977 they discovered a few years later that in fact, for example, in my own Atlantic region, 87 per cent of the people found the additional two weeks that were required to qualify.

We hear about the problem of seasonal workers, which ignores a very important provision that is in this bill. It is the removal of the repeater clause. Let us take my own constituency which has had difficulties because of the flagrant mismanagement of the fishery carried out by the previous government for 15 years that created—

The Acting Speaker (Mr. Paproski): Before I call it one o'clock, the hon. member will have six minutes remaining in his debate after three o'clock.

It being one o'clock, I do now leave the chair until two o'clock this day.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

S. O. 31

STATEMENTS PURSUANT TO S. O. 31

[*English*]

UNITED NATIONS

Mrs. Christine Stewart (Northumberland): Mr. Speaker, today, October 24, marks the anniversary of the founding of the United Nations.

Some 44 years ago today, the United Nations charter was signed, launching an organization that reflects mankind's desire to "save succeeding generations from the scourge of war, to reaffirm faith in fundamental human rights, to establish conditions under which justice and respect for obligations arising from treaties —and international law can be maintained" and "to promote social progress and better standards of life in larger freedom."

Since its inception, Canada has played an important role in the activities of the United Nations, including peacekeeping, membership expansion, and financial support of the many affiliated UN organizations such as the United Nations High Commission for Refugees, UNICEF, and the United Nations Environmental Program of which our distinguished Canadian, Maurice Strong, was the first executive director.

This year Canada attracts special international attention at the United Nations, having been voted to a two-year term on the United Nations Security Council.

We realize that the lessening of east-west tensions in our world is significant, but we cannot let this situation dull our UN initiatives to bring about total world peace and good order. We expect Canada to continue to be involved in peacekeeping efforts around the world and, complementary to this initiative, we encourage our government to take the historic opportunity and approve a comprehensive nuclear test ban treaty at a UN conference on this matter to be held in 1990.

Mr. Speaker: I advise members that I have to interrupt statements for a moment.

S. O. 31

[*Translation*]

AUDITOR GENERAL

TABLING OF REPORT

Mr. Speaker: I have the honour to table the report of the Auditor General of Canada to the House of Commons for the fiscal year ending March 31, 1989.

[*English*]

Accordingly, pursuant to Standing Order 108(3)(e), this document is deemed permanently referred to the Standing Committee on Public Accounts.

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THE LATE TREVOR MORGAN

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, I rise in this House today to pay tribute to Mr. Trevor Morgan who served as member of Parliament for St. Catharines from 1972 to 1974. Mr. Morgan passed away last week.

Active in public life for over 30 years, Trevor Morgan served as a member of Port Dalhousie Town Council, St. Catharines City Council, and the Niagara Regional Council in addition to his tenure as member of Parliament.

Trevor was always a passionate advocate for his constituents' interests. A degenerative eye disease claimed his eyesight in the 1960s but Mr. Morgan continued his career despite his disability. He was a lawyer who was a fierce adversary in the courtroom. This is a fact to which I can personally attest.

The people of St. Catharines will miss Trevor Morgan. I wish to express their deepest sympathies to his wife, Linda, and son, Graham Trevor.

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CANADA–U.S. FREE TRADE AGREEMENT

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I am rising under the provisions of Standing Order 31 to express my outrage that another major Canadian plant has become a victim of the infamous free trade agreement.

This morning Fibreglas Canada announced reductions in its Canadian operations over the next several months. The majority of the 371 employees at the Sarnia plant will be affected by the plan and will leave the company in the second quarter of 1990. This is the second announced lay–off in the Sarnia–Lambton region that will impact on these dedicated employees, many of whom have lived in my constituency for many years and face a bleak winter of uncertainty.

The so–called rationalization of industry, brought about by the free trade agreement, has resulted in a host of mergers and a continuing exodus of jobs to the United States.

I ask the government today to intercede and stop this merger mania, re–examine the free trade agreement, and bring in a fair trade agreement which will protect Canadian workers, Canadian farmers, and stop the plundering of our resources.

* * *

[*Translation*]

CHAMBLY RIDING

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, it would seem that the Conservative Government has not lost its bad habits. We learned from our candidate in the by–election to be held in Chambly, Phil Edmonston, that the Minister of the Environment is getting read to go to the riding of Chambly next Saturday to announce another election goody, a big subsidy for the local community television station, a subsidy which the New Democratic candidate has been requesting for a long time now.

The Conservatives are not looking after the people in the riding of Chambly. They have not yet replaced their corrupt, convicted Member and they are still delaying keeping their promise to Saint–Basile to compensate for the damage caused by the PCB fire.

Mr. Speaker, when will they announce another subsidy for the Desjardins Movement to compensate for the $20 million that institution says it will lose with the GST? Mr. Speaker, it is high time for Chambly to have a real member of Parliament and that should be Phil Edmonston, an honest New Democrat of integrity!

* * *

[*English*]

SMALL BUSINESS WEEK

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, I would like to take this opportunity to salute the men and women of Canada who have embraced the spirit of entrepreneurship and have started some 750 small busi-

nesses across the country since 1984. With this in mind, two important addenda are worth mentioning.

First, these businesses have proven to be resilient. Over the past decade, more than three-quarters of all new businesses survived the crucial first year of operation. Second, between 1980 and 1985, female entrepreneurs represented more than half of these owner operated business start-ups.

We as a government recognize without hesitation that small business is the backbone of our economy. It is the greatest source of new ideas, new opportunities, new wealth, and new employment. Between 1978 and 1987, the small business sector accounted for more 80 per cent of all the net new jobs created in Canada.

Nowhere has the contribution of small business been more evident than in my riding of Sarnia—Lambton. We have been a community very reliant upon the cyclical nature of one industry, the petrochemical refining industry. Yet today, primarily through the initiatives of local men and women, small businesses have diversified the local economic base and effectively lowered the unemployment rate from an historical high in 1984 to one that is lower today than the provincial average.

In the spirit of Small Business Week, I pay tribute to both the present and the future entrepreneurs of Sarnia—Lambton and across this country.

* * *

[*Translation*]

MINES

Mr. Guy St-Julien (Abitibi): Mr. Speaker, after months of lobbying the Bourassa government, the efforts of Quebec's prospectors have finally paid off. The Minister of Finance of Quebec has just announced that the flow-through shares program will be improved.

Since last year, half the deduction for mining exploration expenses is allowed in calculating the cumulative net investment loss (CNIL).

Quebec Mines Minister Raymond Savoie had to make an extra effort to convince his leader Robert Bourassa and his finance minister.

For two years, Quebec's mining regions like Abitibi-Témiscamingue have been very concerned about their economy. Many junior mines have had to close while they wait for better days. In Abitibi-Témiscamingue, unemployment has risen significantly.

Mr. Speaker, the Government of Canada must follow Quebec's example and also agree to eliminate CNIL on half the federal deduction for the purchase of flow-through shares.

* * *

[*English*]

TELECOMMUNICATIONS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, Bill C-41 is about telecommunications. It implements the approach of the Supreme Court confirming that we have one national telecommunication telephone network that crosses provincial boundaries and clearly falls under federal authority. Its aim is to resolve the jurisdictional confusion which presently exists and to allow for a simplified regulatory framework. It is not a bill that is to set local or long distance rates. That is the mandate of the CRTC, the regulator.

The Supreme Court's ruling does not mean that western and other provincial voices will be ignored.

The minister could have deposited a more comprehensive bill, avoided the serious concerns being raised, recognized the history of social responsibility by provinces, and included the means for provincial participation on local questions of telephone service.

To alleviate concerns, first, the minister must go on record in support of universal affordable telephone service. Second, he should assure Canadians that the current situation with regard to independent telephone companies is not intended to favour any one region of Canada over any other. Third, he should reaffirm the federal jurisdiction and that it does not mean higher local telephone rates.

* * *

SMALL BUSINESS WEEK

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, in light of this being Small Business Week, I want to congratulate the Colchester, Truro, Stewiacke regional economic development task force for its initiative in planning an intermodal transport terminal and lifestyle business park for Debert, Nova Scotia.

• (1410)

To bring this project to a successful conclusion will require co-operation from all levels of government and industry including several federal departments and CN.

I urge all ministers involved to assist in all manner possible to ensure completion of this much needed intermodal park to service the area and encourage much needed employment.

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CANADA POST

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, next week the House of Commons Standing Committee on Consumer and Corporate Affairs begins public hearings into the operations of Canada Post. The committee will, among other things, learn how Canada Post management decisions are affecting the delivery of postal services to rural Canada.

In the meantime, Canada Post is continuing to convert and close post offices in small and medium sized communities despite public opposition.

A report from the previous standing committee called the actions of Canada Post heavy-handed but was ignored by both the corporation and the minister.

I call upon the minister responsible for Canada Post to show respect for the people of rural Canada and place a moratorium on all post office conversions and closures until the standing committee has completed its hearings, issued its report, and Parliament has had time to respond to its recommendations.

* * *

CANADIAN-SOVIET ARCTIC CO-OPERATION

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, under the auspices of the Arms Control Centre, Canadians are hosting the Canada-Soviet Conference on Canadian-Soviet Arctic Co-operation. Discussions and panellists so far have driven home the absence of Canadian policy with respect to the Arctic and to Arctic issues.

That is bad enough, but what is worse is the government's spokesmen have poured cold water on initiatives presented in a report by the panel on Arctic arms control that recommended among other things the establishment of a central Arctic demilitarized zone, a conference on Arctic security and co-operation, and the creation of an ambassador for circumpolar regions.

The government do-nothing vacillation is not a viable response to Soviet invitations for discussion and reciprocal co-operation in the region, nor is it a serious response to initiatives by expertise in the field.

I call on the government to examine thoroughly, thoughtfully, and with openness, the recommendations made by the panel on Arctic arms control and then to respond positively to invitations for peace.

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AUDITOR GENERAL'S REPORT

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, the essence of the tabling of the annual Report of the Auditor General, the subsequent public scrutiny, and the follow up work has improved accountability to ensure that taxpayers' dollars are spent prudently.

This year the Auditor General tells us of real progress made in following up recommendations of previous years. His report indicates a notable improvement in accountability.

In regard to the control and accountability of Crown corporations, the Auditor General notes that our own observations support the view that vigilance and stability have characterized the Crown corporation sector in recent years. He continues:

> —the framework set out in legislation is not solely responsible for the demonstrated improvements. Strong and sustained attention by all concerned has played an important part in making this system work.

We have not yet reached perfection, but there is no question that government today is more open and more accountable than at any time before in our history.

* * *

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, nearly 60,000 men and women who have lost their jobs due to the free trade deal are asking who benefited from the deal. As a matter of fact, most Canadians are asking who benefited from this free trade deal. Today we find out.

Mr. Allan Gotlieb, Canada's ambassador to the United States for the past seven years, is becoming an adviser to the Philadelphia law firm of Pepper, Hamilton and Scheetz. Since he helped negotiate the free trade deal and knows all of the elements of the free trade deal, his job will be to advise the Americans on how to take advantage of the free trade deal, probably at the expense of Canada.

When Canadians are wondering who benefited from the free trade deal, Allan Gotlieb can say: "I personally have benefited".

* * *

[*Translation*]

UNITED NATIONS

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, today, on October 24, United Nations Day, I would like to draw the attention of the House to the anniversary of the founding of the United Nations Organization which is now 44 years old.

The UN officially became an organization on October 24, 1945, a successor to the League of Nations created by the Treaty of Versailles in 1919. That day marked the beginnings of an organization that reflected the hopes of the peoples of this world and their determination to maintain international peace and security; to achieve international co-operation in solving problems of an economic, social and cultural nature; to save succeeding generations from the scourge of war; to affirm their faith in fundamental human rights; and to promote social progress and better standards of living in larger freedom. That is the ultimate goal of the UN.

Mr. Speaker, I also wish to take this opportunity to congratulate the recipient of the 1989 Pearson Medal for Peace, Maurice Strong, who received the award for his personal and volunteer efforts.

* * *

[*English*]

THE ENVIRONMENT

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, the number one concern in Canada at the moment is the environment. Although the government has repeatedly claimed that this issue is at the top of its list of priorities, it has done very little to back up these claims.

The government is now being given the opportunity to do something positive about the environment by providing the expertise and financial commitment needed to extend a natural gas pipeline into the province of New Brunswick.

[*Translation*]

This project will enable the province to stop using coal, a source of acid rain, which is now being used in the thermal power stations that produce the province's electric power. Natural gas could also be used by large plants such as pulp and paper mills.

Mr. Speaker, if the federal Government is really serious about the environment, it should take steps as soon as possible to give the province and the companies concerned all the help they need to bring this project to fruition.

* * *

[*English*]

WESTERN ECONOMIC DIVERSIFICATION

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, I would like to draw the attention of the House to a unique process now being developed by a local company named B.C. Chemicals, in Prince George, British Columbia.

With the assistance of both federal and provincial governments, pulp and industry waste tall oil, which is now being burnt, will be recycled to produce value added products such as resins, adhesives and stains. It can also be used to reprocess asphalt. Indeed, I am proud to say that this product is now being tested near Quesnel in my riding of Cariboo-Chilcotin. This is a good example of environmental awareness combined with good business sense.

My hat is off to western economic diversification, the Department of Forestry, the Province of British Columbia, and especially B. C. Chemicals for a fine example of western initiative.

ORAL QUESTION PERIOD

[*English*]

AUDITOR GENERAL'S REPORT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my questions relate to the Auditor General's report which was tabled today. Indeed it was made public about 15 minutes ago.

I want to begin by asking the Minister of National Defence, or in his absence the Deputy Prime Minister, what exactly was the minister of defence doing in his role as minister responsible for emergency preparedness, when the Auditor General has stated that total confusion will reign in this country in the first hours following any natural disaster including an earthquake.

God forbid, but if there should be a major earthquake in this country, there is no agency of the government, according to the Auditor General, prepared to co-ordinate an emergency response or emergency relief measures.

Will the Deputy Prime Minister, or whomever he designates to respond, explain to the country why the minister of defence has failed to do his job?

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, I would be pleased to respond to the question of the Leader of the Opposition.

In fact, I am sure that if he read the Auditor General's report, he will have noticed that the Auditor General has said how well things have improved over the past few years in the field of emergency preparedness planning.

Indeed, with the establishment of the new legislative base and the establishment of our new agency, we are working very assiduously toward ensuring that we are well prepared for emergencies.

He specifically cites the development of a national earthquake preparedness plan as a good example of the kinds of plans that could be prepared for a variety and range of disasters which we hope would not befall us, but it is an example where we are working very closely with my home province of British Columbia. That planning is proceeding extremely well. Later this week I will be in Vancouver and will be discussing it at a workshop on emergency planning.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I want to suggest to the minister, who is also the member for Capilano in British Columbia—Mr. Speaker, you and I will share this interest—that indeed I have read the Auditor General's report, and here is what it states on page 587. British Columbia has been identified as a high risk region and area. "Goals and deadlines for national emergency planning by departments remain inadequately specified. We found the process for designating lead agencies for planning for emergencies to be inadequate." There has been progress but much remains to be done in the area of planning for national emergencies.

• (1420)

The Auditor General is saying that we do not have an immediate, adequate, co-ordinated response to an earthquake potential in British Columbia or anywhere else in the country, and that is what the report says.

[*Translation*]

My next question is directed to the Minister of Transport, since he was also mentioned in the Auditor General's Report.

Some Hon. Members: Question!

Mr. Turner (Vancourver Quadra): Mr. Speaker, since the answer given by the Minister of National Defence was quite elaborate, I believe that the Standing Orders allow me to respond.

My question is now for the Minister of Transport. Vessels carrying all kinds of goods make a total of 12,000 visits each year at Canadian ports, and more than 80 per cent of these vessels operate under foreign flags.

Today, Mr. Speaker, the Auditor General's report tells us that 93 per cent of these vessels are not inspected by the Canadian authorities, and this applies to seaworthiness, safety and transportation of dangerous goods.

Mr. Speaker, could the Minister explain to the House why the government has failed to put in place an inspection system to protect our waterways, port facilities and millions of Canadians against a potential marine disaster?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the Leader of the Opposition is correct when he says that the vast majority of commercial shipping activities in Canada are carried out under foreign flags and therefore not necessarily subject to the Canada

Shipping Act, and we must therefore operate according to international rules.

However, I think the Leader of the Official Opposition is also aware that in the case of oil tankers, both Canadian and foreign vessels are monitored, foreign tankers on their first trip to Canada and Canadian tankers on an ongoing basis. As for other vessels, according to present international regulations we are aiming for 25 per cent. Canada has agreed to this proposal, and we are working toward that goal.

There have been enormous improvements in this respect. I agree there is still room for improvement, but once again, this is being done within the framework of international agreements, and I believe Canada has met its commitments in this respect.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Auditor General thinks we are poorly protected in an area that is clearly under federal jurisdiction.

[*English*]

My final question is for the Minister of the Environment. Despite repeated requests from the opposition, the minister has refused to have a public examination of the government's ability or inability to deal with chemical spills or spills of toxic substances in Canadian waters. The minister told the House that he did not need any public consultation because he was working on a plan of his own. The Auditor General has stated today that our country is in no way equipped to deal with chemical spills.

Why is it that after five years in power, when this government's priority is supposed to be the environment, when this minister was appointed to that portfolio with that priority, there is no plan in place according to the Auditor General to deal with toxic spills on either the west coast or the Atlantic coast or the Arctic coast?

Why has the Minister of the Environment failed to do his job on behalf of the people of Canada?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the main aspect of the danger signalled by the Leader of the Opposition is certainly the fact that oil spills are threatening Canada. We are all aware of this. This government is very concerned with that question. That is why we have set up two operations to provide us with recommendations to strengthen the capacity to control possible disasters.

We have an internal committee, which has been reporting to three ministers, with new rules. We have also set up a public panel review which has recently tabled an interim report and which will, in a few months, provide the government with a comprehensive report on the way to control the movement of oil through Canadian waters.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, yesterday in answer to one of my questions in this House, the Deputy Prime Minister stated that he would receive any suggestions from me regarding expenditure of public funds "with a great deal of interest and gratitude" and that he would co-operate with the Auditor General.

Today, we learned that the Auditor General tried to do an audit on ministerial travel, but he could not perform it because he could not get any receipts from any ministers in this government and therefore could not do an audit of the cabinet of this country. Surely the Deputy Prime Minister does not consider this to be co-operation.

Why is the government hiding this information not only from the Auditor General but from the people of Canada? Does he not realize that this government and the cabinet ministers in the front benches are the ones who should be setting an example for all Canadians?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, if the hon. member had read carefully the report of the Auditor General, he would find that the Auditor General is really getting to the point of accountability and openness in government.

I can assure you that this government is totally committed to accountability and openness. We have taken steps well along the lines that the Auditor General has recommended to ensure not only that the existing information is already available to members and the general public but that that existing information be enhanced and made available on a very regular basis.

Mr. Hopkins: Mr. Speaker, I have read this section of the Auditor General's report and I sense that the Auditor General of Canada is very frustrated because this government is not forthcoming.

The Auditor General tried to get access to the letters that ministers sent to the Minister of National Defence requesting use of VIP Challenger aircraft. The letters would state where the flights would be going, the reason for the flights, and who was on board.

The act of Parliament setting up the office of the Auditor General of Canada gives the Auditor General the right to audit such government spending.

Mr. Speaker: I think the hon. member will recognize the Chair has been very generous in terms of time. I ask him to put his question.

Mr. Hopkins: Why has the Government of Canada set itself up as being beyond the law, beyond all Canadians, that it does not have to abide by the law at a time when it expects the people of Canada to be law-abiding citizens? Where is the information?

Mr. de Cotret: Mr. Speaker, first of all I would only like to note that the practices of this government follow a cabinet decision of 1963, a cabinet decision that was—

Mr. Kaplan: 1963, you can't go on living in the past.

Mr. de Cotret: Yes, a practice that was followed by every previous government.

Some Hon. Members: Oh, oh!

Mr. Speaker: The hon. minister has the floor.

Mr. de Cotret: Mr. Speaker, to answer the question, after reading that part of the report from the Auditor General, I asked the Comptroller General to ensure that he was in a position to make available a number of facts, on a periodic basis, dealing with ministers' expenditures. I would just like briefly to read out the list.

First of all, the total travel expenses of each minister; second, the number of times that each minister used the government aircraft; third, the date, the itinerary, and the names of all passengers on each trip in a government aircraft; fourth, the reason for use of a government aircraft; fifth, the cost of the use of the government aircraft. The Comptroller General is putting that in place.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I might point out to the President of the Treasury Board that Canadians voted for change. They did not vote to carry on the same lousy Liberal practices.

Some Hon. Members: Hear, hear!

Mr. Speaker: Perhaps the hon. member could put his question.

• (1430)

Mr. Rodriguez: Mr. Speaker, now I have their attention. I will take out the two-by-four. My question is for the Deputy Prime Minister.

When the people of Canada voted in the present government, the government promised open and honest government. In the recent past we have seen a commitment to the opposite, a commitment to secrecy. The Information Commissioner has had to take the government to court to get information on budget documents. We are still waiting for the GST impact studies on the provinces. Now we find that the Auditor General is being denied the statutory right to audit ministerial travel expenses paid for out of departmental expenditures.

What does this government have to hide with respect to the minister's travel expenses? Why will the government not turn over to the Auditor General the information he required to do his job?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I believe I have already replied to that question. After reading the document from the Auditor General, we have moved in a very fast and direct manner with the Comptroller General to ensure that there is no secrecy and that all the pertinent information is made available to this House as well as to the Canadian public, both on travel and on the use of aircraft as was mentioned in the report. I believe we have done our job.

Mr. Rodriguez: Mr. Speaker, the Auditor General, on page 18, had this to say: "In a time of restraint, those who spend taxpayers' dollars must be more than ever aware that they are answerable for how they spend them." This government, in times of restraint which it says we are in, is asking Canadians to tighten their belts.

Why has it failed to come clean with the Auditor General and deliver to him those receipts from ministerial travel which are paid out of departmental expenditures? Why has this government refused to do that? What is it that you have to hide? Is it that you are afraid that Canadians are going to be outraged when they see what you have spent?

Mr. de Cotret: Mr. Speaker, we are not refusing to provide information to this House or to Canadians in general. We are prepared, as a matter of fact, to go much further than the guidelines that were set back in 1963. We are prepared to be very accountable and very open about the expenses that this ministry is incurring.

The total travel expenses of each minister, the number of times that each minister uses the government aircraft, the date, the itinerary and the names of the passengers on each trip, the reason for the use and the cost of the government aircraft are included. I think, meets with the criteria of accountability and openness.

Mr. Rodriguez: Mr. Speaker, a final supplementary to the Deputy Prime Minister. The Auditor General was very clear in what he requested. He requested access to receipts where ministers have followed Treasury Board's advice to retain them. The government told us that even if receipts existed, they would not be made available to us.

Canadians have not forgotten the Blais–Grenier "April in Paris" episode. Is that what this government is afraid will come out when these receipts are turned over? Will the Deputy Prime Minister take responsibility for turning over those receipts requested by the Auditor General so that we can turn on the lights on the collective Phineas Foggs over there?

Mr. de Cotret: Mr. Speaker, I think it is a well known fact in this House that the ministers are accountable. They are accountable to Parliament. They are accountable to the people. We are providing all the information that is required for parliamentarians or the general public to make a judgment on how we are dealing with the affairs of state.

We want to be open, we want to be accountable and we have taken the steps to do just that.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns the government's refusal to provide information to the Auditor General concerning ministers' travel expenditures.

Given that in May, 1985, the government provided to Southam News information regarding the travel escapades of one Suzanne Blais–Grenier in great detail and given that in October, 1986, the government provided information to *The Globe and Mail* concerning the travels of the Prime Minister to Asia, why is the government refusing to provide to the Auditor General now what it provided to others in the past? Is it because those previous travels have so much embarrassed the government that it now refuses to provide that information to the public? Is that the real reason?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we are saying that we will provide on a regular basis the total travel expenses of each minister, the number of times he takes an aircraft, where he is going, who he is going with, his itinerary, the reason for the use of the aircraft and the cost of the government aircraft. I ask my hon. colleague what more does he want? All the information will be there.

[*Translation*]

Mr. Boudria: Mr. Speaker, my supplementary is directed to the President of the Treasury Board who just asked me, what more did I want. I will tell him what I want. The Auditor General of Canada says in his report: The government wrote to me, stating that even where receipts had been kept, they would not be provided to my office. What I want to know from the Prime Minister and the Minister is this: Is he prepared to table these receipts in the House in the next ten days? Yes or no?

Mr. de Cotret: Mr. Speaker, my answer is simply that we are prepared, with the help of the Comptroller General, to table in the House or make available to anyone who so requests, the travel expenses of all ministers, minister by minister. This information will be available on a regular basis. It will be up to my colleagues opposite and to the Canadian people to judge what the government's ministers are doing. The situation is entirely normal and can be checked.

[*English*]

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Minister of Transport. The Auditor General's report tabled today outlines a crisis of confidence in the safety of Canada's marine industry. Given that of the 41,000 vessels that ply Canadian waters, only 4,000 undergo regular inspections and in the case of our thousands of fishing vessels "usually only following a reported accident", quoting the document, I ask the

minister how could he allow this dangerous situation to develop? What action is he prepared to take today to correct this incredible blunder?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I answered the same question earlier when it was put by the Leader of the Opposition. Once again, the vast majority of vessels operating in Canadian waters do so under foreign flags and are, as a result, subject to international agreements signed by Canada. As for vessels operating under the Canadian flag, I repeat that all oil tankers are monitored: 25 per cent, which is an objective that has been set internationally. We are striving towards that goal at the present time. The necessary steps have been taken. But once again, the Canadian Coast Guard and Transport Canada's Marine Group are constantly trying to improve the situation, concentrating on both the technological and the operational aspects. Once again, the Auditor General has mentioned a number of potential situations to which the Government is trying to respond, and it will continue to do so.

[*English*]

Mr. MacDonald (Dartmouth): Mr. Speaker, the minister may not care about his fishermen and his men and women who serve in the merchant marine, but surely to goodness he cares about the 20 million Canadians who rely on ferry service on our east and west coasts.

In his report today, the Auditor General expressed genuine concern for the safety of these vessels and specifically, the lack of detailed risk management plans and the incredible practice of pre-arranged annual safety inspections. Will the minister allocate today the resources necessary to correct this terrible situation, or is he prepared to sit idly by until there is a disaster and a real loss of life?

Mr. Bouchard (Roberval): Mr. Speaker, I believe the concerns of my friend are real in the sense that there is a potential. At the same time, I would like to say to my friend that the Department of Transport, through the marine sector and the coast guard, is constantly looking at the regulations. We improve the regulations and we always provide the necessary resources to achieve the goals we have. But that will be done in light of the report of the Auditor General.

• (1440)

I am really delighted to say that the Canadian coast guard has a very good reputation in terms of the way it deals with regulations and it will continue to do so.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport. On page 473 of the Auditor General's report he notes that a foreign vessel carrying dangerous goods could enter Canadian waters in the maritimes, not call at any Canadian port, and proceed all the way through the St. Lawrence Seaway into the Great Lakes with little chance of being subjected to an inspection to ensure that it met international ship safety requirements. Earlier on the previous page it points out that about 7 to 8 per cent of foreign vessels were, in fact, inspected.

Is the government prepared to provide the necessary people and dollars to ensure that foreign ships that may be carrying dangerous cargoes, not necessarily petroleum, but dangerous cargoes, can be inspected prior to proceeding into and through Canadian waters? Will the Minister give us that assurance?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I have already answered that question twice. I said that under the international transportation rules, we are trying to determine a target of 25 per cent. It is true that at the present time it is about 7 or 8 per cent. But we signed the agreement, we accept the rule, and we are moving toward that direction. I can give the guarantee that that is exactly what we are doing. It is not a question of resources. It is a question of international agreement, and that is what we respect.

* * *

PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw to the members' attention the presence in the gallery of a parliamentary delegation from the United Kingdom, led by Marion Roe, Member of Parliament.

Some Hon. Members: Hear, hear!

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AUDITOR GENERAL'S REPORT

Mr. Angus: Mr. Speaker, in response to the minister's comments, I should point out that on the same page, the Auditor General states that the coast guard does not have an over-all plan for meeting the goal of the

European Port State Control Agreement to inspect 25 per cent of foreign vessels.

So the minister is saying one thing, the Auditor General is saying another. I want to know when the government will finally put its money where its mouth has been for a number of years and really do something to protect the Canadian environment, to protect that very important ecological system in the Great Lakes–St. Lawrence Seaway.

Mr. Bouchard (Roberval): Mr. Speaker, I repeat again, it has already been done. We are on the way to try to reach that goal of 25 per cent. Of course, we want to do so. We will provide the resources to reach that goal. But, once again, I said we are trying to determine exactly what resources we need to reach that purpose. It cannot be done in one day. We understand the report of the Auditor General.

Once again I repeat that Canada has one of the best records in terms of environmental protection.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, my question is directed to the Minister of the Environment.

First I would like to congratulate the Minister of the Environment on the leadership he has shown at the conference in Charlottetown with his provincial counterparts, where we introduced some major environmental initiatives for this country.

My question concerns the agreement reached by the Minister and his provincial counterparts on $200 million to be spent on the clean-up of abandoned contaminated sites across the country.

First of all, I would like to ask the Minister who is going to decide which sites in Québec will benefit under this agreement. Second, I want to ask the Minister whether I can count on his support for a region like Abitibi—Témiscamingue, which has a record number of abandoned contaminated sites because of its mine tailings, a major source of pollution,— for having our region considered when the sites are selected.

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I am pleased to say we concluded an agreement with the provincial governments for setting up a clean-up fund for contaminated sites in Canada.

As for the Hon. Member's question, a number of criteria are now being defined for selecting the sites where clean-up operations will take place.

These criteria will be established jointly with the provinces and will subsequently be applied in such a way as to achieve a fair apportionment of clean-up funds. I will certainly bear in mind the Hon. Member's concerns.

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AUDITOR GENERAL'S REPORT

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, according to the Auditor General's Report which has just been tabled, 93 per cent of merchant vessels are not subject to safety inspections, nor is their cargo.

A vessel that is not inspected, that is unsafe and carrying toxic products or even nuclear waste, for instance, might cause an accident of catastrophic proportions in the locks of the St. Lawrence.

How can the Minister of Transport justify his failure to take action, thereby exposing the environment and especially Canadian lives to potentially catastrophic accidents on the Great Lakes or the St. Lawrence?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I will have to repeat in French what I said in English.

I said earlier that most goods are carried by vessels operating under foreign flags which are not subject to the Canada Shipping Act. We therefore have an international agreement under which we are committed to reaching a goal of 25 per cent. I am committed not only to following the recommendations of the Auditor General but also to applying international regulations.

That is exactly what we are doing. I disagree with the hon. member when he refers to a potential accident, since we probably have one of the best records in the

world on environmental protection, especially when we realize, Mr. Speaker, that 100 per cent of all oil tankers are inspected on their first visit to Canada every year.

In this perspective, I think that Canada is doing its job, and especially the Department of Transport.

Mr. Bellemare: Mr. Speaker, I find the minister's answer unacceptable. Seven per cent or even 25 per cent inspected is not enough.

Of the 7 or 8 per cent of the vessels that are inspected, too many have been judged to be unsafe. How can the Minister allow Canadian lives to be endangered by failing to increase the number of inspections of merchant ships?

Mr. Bouchard (Roberval): Mr. Speaker, the hon. member answered his own question, since we have said many times that the Government's objective was to achieve a goal of 25 per cent, considering, once again, that we are subject to international laws and international agreements in this respect, and that the agreement provides that 25 per cent of vessels carrying goods other than oil—since in the case of oil, we monitor 100 per cent of the tankers.

Once again, Mr. Speaker, whatever the language and whoever is asking the question, the answer is the same.

[*English*]

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I have a question for the Minister of Finance. The Auditor General has estimated that the number of taxpayers under GST will increase thirteenfold from 75,000 to well over one million. He also said this morning that he felt the government would be incapable of handling the increased workload in administration of the GST in a way that is fair to small business.

Will the minister acknowledge the Auditor General's statements that the government will be unable to administer the tax and will he not agree to scrap this tax proposal and come back with a more fair and workable tax?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the reason that this government is moving to a more efficient and fair tax is precisely for the reasons described by the Auditor General. As the hon. member knows, the existing federal sales tax has some 22,000 different provisions and exemptions which are just totally unacceptable and cannot be dealt with effectively. That is why we are moving to more a effective, more efficient and fairer tax system.

I can assure the hon. member that through new technology, through innovative methods, new systems and consultation with the public sector, particularly the small business community, this is going to improve not only the administration but the tax system as a whole for all Canadians.

Mr. Speller: Mr. Speaker, the minister should know that you do not replace a bad tax with a worse tax. The minister has stated that he thinks that the tax will work. He thinks he can hire more tax investigators; he thinks he can train them and he thinks he can train small business to understand the tax. Is the minister not aware that if he is wrong it is small businesses in Canada that will bear the brunt of his mistakes? Will the minister assure Canadians and assure small business that they will not be stuck holding the bag for this government's lack of planning on this issue?

• (1450)

Mr. Jelinek: Mr. Speaker, the hon. member knows very well that we are not re-inventing the wheel. There are some 48 countries around the world with a value added tax in the form of a GST which has been working effectively and fairly for the populations of those countries and which has given those producers and manufacturers a greater competitive edge over ours.

That is the reason why we are moving to a better system, to create more competitive opportunities for small, medium and large businesses in this country and to make the system fair in working toward deficit reduction. All of the consulting, the advice, the assistance, the help and the planning that we are undertaking is to help small businesses in all industries prepare for a smooth launch and a smooth transition for their benefit and for the benefit of all Canadians.

Some Hon. Members: Hear, hear!

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, today the Canada Assistance Program was also reviewed in the Auditor General's report, and I quote from Chapter 15 of the report: "Although our audit focused on the federal administration of CAP, we did become aware of some instances of apparent non-compliance by provinces with the CAP Act. We found nothing to indicate how these instances were considered to be in compliance

with the act and the stated federal objectives of the CAP".

The Auditor General also pointed out the insufficient information available regarding this program.

Mr. Speaker: I would ask the hon. member to paraphrase what the Auditor General said and put her question.

Ms. Langan: Mr. Speaker, my question is for the Minister of National Health and Welfare. Would the minister tell the House why there has been no annual report for this program, as required by law, since this government came to power in 1984? Is that what the government considers to be open?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I want to start by thanking the Auditor General for his findings and for the advice that he has given us with regard to CAP.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Crosbie: Three cheers for the Auditor General.

Mr. Beatty: Mr. Speaker, from my perspective in Health and Welfare, we welcome any suggestions made by the Auditor General, or even from hon. members opposite if they have suggestions for improvement to CAP and for any other program.

It is our determination to make sure that all expenditures under CAP are fully documented, fully audited by the federal government and we will ensure as well that all annual reports which are due are tabled in Parliament.

Ms. Langan: Mr. Speaker, does that mean that maybe by 1995, we will get the 1984 report?

If the hon. Minister of National Health and Welfare were interested in the kind of suggestions that the opposition have regarding CAP, then he would indeed lift his finger when we ask him to provide us with the information we require regarding CAP and the provinces. When will the minister do that?

Mr. Beatty: Mr. Speaker, the opposition just cannot live with good news. That is the difficulty here.

As I have indicated, we are determined in National Health and Welfare to ensure that we can take every possible measure to ensure that every dollar transferred under CAP is properly audited and accounted for by provinces. Second, we will ensure that Parliament has made available to it all information to which it is entitled. We will do so on a timely basis too, Mr. Speaker.

* * *

TOBACCO PRODUCTS

Mr. Stan Wilbee (Delta): Mr. Speaker, my question is also for the Minister of National Health and Welfare. Now that he has the report from the Royal Society of Canada that does confirm what every smoker has said, that cigarette smoking is addictive, could he tell us just when we might expect the Government of Canada to look for these tougher laws regarding the advertising of tobacco products, specifically, that they are a hazard to health and, second, the addictive nature of tobacco products?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, the government has indicated that we are anticipating having another round of regulations with regard to warnings on tobacco packages soon. The Royal Society's report has been closely studied within my department. It is a very, very helpful report for us. It strengthens our hand significantly with regard to giving these warnings to the public. The recommendations that we will make will draw heavily upon that report.

* * *

PAY EQUITY

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, in 1987, a Human Rights Tribunal awarded federal hospital workers $28 million, the largest pay equity settlement in the history of the public service. Twenty–seven months later, 1,400 employees, mostly women, are still not getting the pay they deserve. They already live on wages at or below the poverty line and cannot afford to do without the extra $3,000 a year they are entitled to.

My question is for the President of the Treasury Board. What is the minister doing to correct this deplorable situation to give these workers the fair pay they are earning?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, retroactive pay adjustments totalling $28 million for the period September, 1980, to July, 1987, have already been implemented. For the retroactive period of adjustment, from September, 1980, to July, 1987, the Treasury Board Secretariat has re–evaluated positions at level one and those of seamstresses and

community health representatives. It has issued a personnel management bulletin.

There is still yet some work to be done on some of the outstanding issues, but I believe that we have already made significant progress in implementing that decision.

Mrs. Catterall: Mr. Speaker, excuses and words do not put food on the table or shoes on children's feet.

I can only quote the annual report of the Human Rights Commission which said: "Either the government means business on equal pay or it does not". Obviously it does not.

Will the minister live up to his words, or does the Human Rights Commission have to order the Government of Canada to set a good example to other Canadian employers?

Mr. de Cotret: Mr. Speaker, first of all, I would like to assure my hon. colleague opposite that we do mean business on equal pay for work of equal value and that is why we set up the joint union management initiative to try to get to the crux of this matter.

Now the hon. member says that we do not mean business. I have just said that phase one of the order was already completed and $28 million is quite a bit of money.

The second phase, I must say, is already completed but the second phase is also subject to final approval by the tribunal and that is where we are at.

The third phase is well in progress, well in hand, and we are advancing with it very quickly.

* * *

ROYAL CANADIAN MOUNTED POLICE DRESS CODE

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns the issue of the RCMP dress code.

Over a year and a half ago the commissioner of the RCMP, Mr. Norman Inkster, recommended that the dress code be amended to allow Sikh members to wear their turbans and ceremonial daggers. For some inexplicable reason, the government has dithered over the last 20 months on this issue.

I would like to ask the Deputy Prime Minister whether he is prepared to show some progressive leadership today and adopt the recommendation of the commissioner of the RCMP to ensure full equality for all Canadians?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Solicitor General is reviewing this matter with the RCMP and expects to be able to review the matter fully and come up with a solution in the very near future.

Mr. Nunziata: Mr. Speaker, that is nonsense. The RCMP has already made a recommendation.

This issue is the true test of tolerance, understanding, and this government's commitment to the issue of equality for all Canadians. By delaying the decision, this government is fanning the flames of intolerance and discrimination.

So I put the question to the government again. Will it show some leadership, if it is truly committed to the issue of equality, and adopt the recommendation of the commissioner of the RCMP to allow Sikhs to join the force?

Mr. Lewis: Mr. Speaker, I have indicated that the Solicitor General is reviewing this matter and that he will be coming down with a final decision in the very near future.

An Hon. Member: What's the problem?

Mr. Lewis: Well, the problem is in that party where that particular member cannot get together with the rest of his members on multiculturalism.

* * *

• (1500)

CANADA POST CORPORATION

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, yesterday the public accounts were tabled in the House. On page 115 of the public accounts, third edition, dealing with Canada Post Corporation, it indicates that the leasing requirements for Canada Post over the next four years will decrease by about 65 per cent. Those leases by Canada Post are primarily for rural post offices in Public Works buildings.

My question is perhaps directed to the Deputy Prime Minister in the absence of both the Minister of Public Works and the minister responsible for the post office. Is Public Works doing the dirty work for Canada Post and conspiring with Canada Post to get out of rural Canada?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, absolutely not.

Mr. Taylor: Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. Given that rural post offices are continuing to close across Canada, and given that the standing committee of this House is presently looking at the operations of Canada Post, in particular those dealing with rural Canada, I am wondering if the Deputy Prime Minister will make a commitment on behalf of the government to put a moratorium on the closing and conversions of small post offices until this committee has reported to the house.

Mr. McDermid: Mr. Speaker, they are a talented bunch. I can tell the hon. member that the buildings that he refers to are ones that are extremely antiquated and are not serving any useful purpose at the present time. Public Works has given notice to vacate a number of those buildings, but will not do anything with those buildings until it has consulted with the local communities and interested groups in those communities.

* * *

PRIVILEGE

AUDITOR GENERAL'S REPORT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question of privilege arises from the report of the Auditor General and questions which I raised in the House today.

It is quite clear that the Auditor General, under Section 5 of the Auditor General Act, has the statutory right to audit departmental expenditures and ministerial travel expenses that are part of the departmental expenditures. The point of my privilege is that the government is not providing information about departmental expenses. In fact, the Auditor General points out on page 136, chapter 6.16:

> We also pointed out in Guidelines Treasury Board had advised that "Even though Ministers do not have to provide receipts and supporting documentation, it would be prudent to maintain such information in Ministers' offices for audit purposes."

The government wrote back to the Auditor General on August 17, 1989 and it stated:

> Minister's offices have indeed been advised that it would be prudent to maintain their receipts for travel expenses. The rationale for that advice is based on the fact that Ministers are accountable to the House of Commons and would want to be in a position to respond, in the event that questions were raised in the House.

The Auditor General is an officer of Parliament and parliamentarians depend on the analysis and audit that he does of departmental expenditures which are part and parcel of the Financial Administration Act. Those are all out of general revenues. Therefore, if members of Parliament are going to be able to ask the proper questions as they relate to ministerial expenditures from the department, then we have to have the proper information.

The government has refused to provide the Auditor General, an officer of Parliament, with the appropriate receipts, so that we as members of Parliament can do our job.

I am proposing, Sir, that my privileges and the privileges of all members in this House are abrogated when the minister and the government refuse to turn over to the Auditor General that very important and vital information for us to do our jobs here. I am prepared, Mr. Speaker, if you find that there is *prima facie* evidence of privilege, to move the appropriate motion.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to speak in support of the question of privilege just raised by my hon. friend. Indeed the privileges of all the members of the House are affected by this issue. The Auditor General is an officer of Parliament. He has a statutory duty to perform the auditing function. Anyone knows that auditing cannot be done without full access by the auditor to all receipts that are in question.

In this case, the ministers of the Crown have a duty to comply with the law. They have a duty to provide for the Auditor General documents and material within their possession which he requires to perform his statutory function. Members in this place have a responsibility to inquire into the performance by the ministers of the Crown of their duties. The ministers are preventing the

Auditor General from doing his function by withholding receipts.

I hear my hon. friends rely on a practice which they allege existed back in 1963. I do not think that that is relevant. I think that we are entitled to have the ministers comply with the law, whatever practices they may allege have existed in the past. I do not concede the arguments that they have made.

It may well be that the point has never been raised before, but that should not deter you, Mr. Speaker, from finding within the duties of this chamber a responsibility by ministers to comply with the law, so that the Auditor General, an officer of this place, can perform his full duties.

SPEAKER'S RULING

Mr. Speaker: The hon. member for Nickel Belt has raised a matter of which he complains. The hon. member for York Centre has supported him in that complaint. I have listened carefully to the arguments. There may well be another place in which the argument can be continued. It may be inside this chamber or it maybe outside, but I find that certainly there is not a question of privilege.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT

ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-21

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

That, in relation to Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, not more than one further sitting day shall be allotted to the consideration of the report stage, and two sitting days to the consideration of the third reading stage of the Bill; and

That, fifteen minutes before the expiry of the time provided for Government Business on the day allotted to report stage consideration and on the second day allotted to the third reading stage consideration of the said Bill, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question necessary in order to dispose of the stage of the Bill then under consideration shall be put forthwith and successively, without further debate or amendment.

The Acting Speaker (Mr. Paproski): When the House rose at one o'clock, the hon. member for South Shore had the floor and he has three minutes remaining in his time for debate.

Mr. Peter L. McCreath (South Shore): Mr. Speaker, in that case, I will speak twice as fast and get in all my remarks.

I do have two or three further comments that I wish to make in support of this very important motion which is intended to enable the Government of Canada to get on with the business of Canadians in facilitating opportunities for unemployed Canadians.

I was making the point that there has been a lot of discussion about the impact of these changes on, for example, fish plant workers in Atlantic Canada. Some suggestions have been made that the increase in the entrance requirements may negatively impact seasonal workers such as fish plant workers.

I think it is important for all members of the House to study the bill carefully. For example, my own constituency falls in two unemployment regions, the Yarmouth region and the Kings region. In the Yarmouth region at the current unemployment rate, there would in fact be an increase of six weeks in the qualification period. Similarly, there would be in the area of Kings. However, what my hon. friends neglect to mention or have overlooked is that the removal of the repeater clause means that the six-week penalty that is now applied to those plant workers will come away, and the amount of time required to qualify for UI will be precisely the same. In areas where the rate is lower, in fact, people will benefit even more so.

Once again, what we have is a clear illustration that what this government seeks to do is to protect people who may be unemployed while at the same time investing Canadian tax dollars effectively to the benefit of Canadians. The labour force development strategy is going to be the basis whereby $1.2 billion will be invested in Canadians, in creating opportunities for unemployed Canadians to find themselves full-time, permanent employment in the Canadian workplace.

• (1510)

Let me give two brief illustrations. This morning, one of the members opposite made reference to the town of Lockeport. Under this proposal, an additional $15 million will go into the industrial adjustment service, which means that towns like Lockeport are benefiting from that service and towns like Port Mouton will hopefully

soon benefit from that service when they can get themselves an agreement.

The Government of Canada has already been there working with them to put an agreement into place to enable those one industry towns to adjust to the changes that are the result of the fishing situation in Atlantic Canada. Similarly, $50 million in additional money will go into the Community Futures Program. I look forward to those $50 million making it possible for the county of Shelburne which has had such a difficult time with the downturn in the fishing industry to get into the Community Futures Program. That is why these changes are important.

Beyond that, we are going to see the human resource development planning, $65 million in additional money, entry level skills development—

Some Hon. Members: Oh,oh!

The Acting Speaker (Mr. Paproski): Gentlemen, Question Period is over, this is debate. I recognize the hon. member for Eglinton—Lawrence on a point of order.

Mr. Volpe: Mr. Speaker, I rise on a point of order. I hear the hon. member mention all these fabulous programs that are going to take place in the nether—nether land and I thought it would be instructive for this House to understand exactly what has happened in that regard, because I have before me statistics given by—

The Acting Speaker (Mr. Paproski): That is debate. The hon. member has 30 seconds left.

Mr. McCreath: Mr. Speaker, my hon. friend can get in line if he wishes to speak. The important point to be made, and I will conclude on this point, is that Canadians want us to get on with the business of Canada. That is what this government is going to do. That is why it is important that we support this time allocation motion wherein we take advantage of the rules put in place by the previous government.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, it is going to be very difficult to be heard properly after the volume of the previous speaker.

I will start my remarks by saying that this morning, the Minister of Justice opened his remarks on the government's railroading of the UI bill with smirks and sad attempts at humour. There is nothing humorous about putting off legitimate debate, or worse, shutting down debate on Bill C-21. He said he was going to drag the Liberals, kicking and screaming, into the 21st century. Well, I would like to suggest to this House that if this is what is in store for us in the 21st century, I fear for Canada.

The government has displayed once again that it has total contempt for the parliamentary process. It has already invoked closure on the second reading of this legislation. The government rushed into public hearings. It gave one month's notice in the middle of summer to community groups, unions and employers groups to prepare for and present briefs to the legislative committee. Had the opposition members on the committee not fought over this and fought for the people who were going to put submissions forward, the government was only prepared initially to give two weeks notice to people who were being asked to present briefs.

The hon. member for Burlington, when he was criticizing the speeches on this side of the House today, said: "You were not there and you did not read the transcripts". Well, Mr. Speaker, I was there; I read the transcripts and I know, indeed, that all the way through the process, the government side pushed, cut us off and was rude to people who presented briefs. We have documented letters outlining that rudeness. The transcripts show that rudeness. I would suggest that today is another example of absolute, total contempt for Parliament.

The minister who attended the committee hearings gave us one hour to voice our concerns about the legislation. When she agreed, because we felt that we had more questions than we were able to cover in an hour, to extend her time, the government members voted against it and said no, we could not have extra time with the minister even though she was willing to spend the time with us. Now I have to say that we have not seen a lot of her since in terms of her interest in this legislation or this debate. I would suggest that Canadians deserve better than this.

The members across the way have made reference to the presentations from unions and from other national bodies. I think one hon. member, before lunch, referred to it as a blueprint from across the country. I do not know if it has ever occurred to the government side of the House or to that hon. member that people across this land were telling the committee the same things because the legislation is equally bad no matter where you go in this country. Whether you go to a city, a rural communi-

ty, a small town or the workplace, this legislation is not good for Canadians.

Conversely, I heard very little comment about the few briefs we heard in favour of the legislation. In fact, those few briefs were all over the map because they could not seem to agree about what was good about the legislation. At least people who opposed it understood and were agreed as to what was wrong with it.

I would like to make some references as to why it is so important that Canadians have the opportunity to have this legislation thoroughly debated in the House. In British Columbia, the province I come from, 48,000 people will see benefits reduced at an average of five and a half weeks; 3,000 will not qualify to receive benefits. Training programs will not be available to those who have not spent a long time in the workforce.

In Canada, independent studies show 130,000 Canadians will be cut off benefits. The government says only 30,000 will be affected. Well, 157 of 202 groups told us that many, many more people than those suggested by the government figures would be cut off.

We had in this House 48 hours of debate on the refugee bill. We had 53 hours of debate on the drug patent act. This government suggests that 30 hours of debate on unemployment insurance amendments is enough. Yet this legislation will directly or indirectly affect every man, woman and child who works in this country.

Still, with all of this evidence that was presented to us and all of the evidence that has been presented today in the House, we find the media has paid very little attention to this legislation. I suggest that the government should not be lulled by this. Every Canadian who is directly affected, and even those not directly affected, knows how bad this legislation is and they will remember. What will make them remember is when this legislation goes in effect, they will feel it every time their workplaces are threatened, every time their jobs are threatened and every time their families' jobs are threatened.

I would like to suggest that first the government attempted to muzzle Canadians and now it is muzzling Parliament. I say again that this government is showing absolute and total contempt for Parliament.

Because I am so outraged at that, and maybe it is because I have been here just under a year, I would like to move an amendment.

• (1520)

I move:

That the motion be amended by deleting the words "two sitting days to the consideration of the third reading stage" and replacing them with "200 sitting days to the consideration of the third reading stage".

The Acting Speaker (Mr. Paproski): I will verify the motion. We will go on with debate with the hon. member for Laurentides.

Mr. Jacques Vien (Laurentides): Mr. Speaker, I would like to remind the opposition of a few facts. The labour force development strategy tabled in April, 1989, made clear that the UI system was going to be improved. Back in April, 1989, people were already talking about these, changes. The leaders of the opposition were asking questions about it in the House as far back April, 1989.

Then there was the production of Bill C–21 in June, 1989, which led to more questions in the House. The bill was debated at second reading and approved in principle. The next stage was the legislative committee.

As all members know, it is normal for a legislative committee to be small and to do its business in Ottawa. This legislative committee on Bill C–21 which was formed at the end of June, 1989, travelled and was increased in size. I was a member of that legislative committee.

We travelled from Vancouver, British Columbia, to St. John's, Newfoundland. We stopped in every province of Canada. We heard witnesses in every province. We heard witness for three weeks in Vancouver, British Columbia; Edmonton, Alberta; Saskatoon, Saskatchewan and Winnipeg, Manitoba. In Ontario the committee held hearings in Toronto and Sudbury. In Quebec, the same committee held hearings in Montreal and Jonquière. In New Brunswick, the committee sat in Moncton. In Prince Edward Island, the committee sat in Charlottetown; in Nova Scotia, in Halifax; in Newfoundland, in St. John's, plus a week in Ottawa after these travels.

Because we were not able to go to the territories, representatives of the territories were invited to come to some of the provinces. We heard the minister and her officials. We studied the bill clause by clause. Last week, we began the report stage.

We are debating a motion to allocate time for further consideration of Bill C–21. Members opposite say they were not given enough time for consideration of this bill. As I have just explained, this bill has been under consideration since June, 1989, and the policies underlying it two months before that.

What is the opposition doing now? Today opposition members turned down the opportunity to sit through lunch. Last week, on the first day of report stage, they turned down the opportunity to sit through lunch. They wanted nothing to do with the idea of extended hours.

Recently, one of the senior members of the New Democratic Party was quoted in a Toronto newspaper as saying that his party would refuse to agree to the scheduling of House time for the remaining stages of Bill C–21. It could not be more evident that opposition claims of shutting off debate are unfounded.

[*Translation*]

Mr. Speaker, we are in the first stages of a national plan to achieve a fundamental economic goal, which is to use our human resources more wisely. This plan became official last April, when the Minister of Employment and Immigration outlined the new labour force development strategy, a set of measures to make our country more competitive by improving the way it uses the skills and energies of Canadians.

So far, the Canadian labour market has failed to deploy sufficient efforts to upgrade human resources. The new strategy is therefore a battle against waste, and to wage this battle, we intend to use, through Bill C–21, the resources of our unemployment insurance system and make it a tool for training and development.

Waste occurs at practically all levels in the labour market, including entrance levels. Too many young Canadians lack the necessary basic skills to obtain their first job, while the national average drop out rate is 30 per cent. We are about to enter the 90s, a decade during which, according to all the forecasts, most new jobs will require a grade 12 education.

Mr. Speaker, it is clear that the areas of education and training are complex and are dependent on provincial governments, regional labour market requirements and constantly changing qualifications. The government is not the sole agency responsible for training a highly qualified and educated labour force, but it can act as a catalyst. Thanks to the labour force development strategy, we now have a framework for co–operation that will be able to draw on the contributions of educators, the provinces, unions, employers and all Canadians, as never before.

Within the framework of this strategy, we are adding $100 million for training new workers, to the $485.4 million we are already spending in this area at the present time.

These measures, and others in which the private sector will play a major role, are aimed at improving our competitive position generally, but we will not succeed as long as Canadians are unable to find work because they lack the requisite skills.

Under Section 26 of the Unemployment Insurance Act, we can provide training for people who are unemployed. At the present time, we are spending only $350 million of the $13 billion in the UI fund on this option. We intend to raise this amount to $700 million. In this case, plans provide for direct participation by business and unions in promoting and managing training programs. We intend to support and facilitate their activities in this respect.

• (1530)

We also intend to spend $150 million on programs for people who find it particularly difficult to re–enter the labour market, including welfare recipients and older workers who are 45 or over.

Mr. Speaker, speaking of older workers, I would like to address another measure that seems particularly relevant in Canada today. Any program or practice aimed at preventing a Canadian who is able to work from doing so only because of his age is a waste of manpower. And that is the case with our system present UI system.

As soon as Canadians reach the age of 65, whatever their skills or ambitions may be, they fall into a trap: they no longer have the right to contribute to the unemployment insurance plan or receive benefits. The changes we

are proposing will also entitle older Canadians to unemployment insurance benefits as long as they wish to work.

This measure, Mr. Speaker, and other measures provided under Bill C–21 will make it possible to take a new and intelligent approach to unemployment insurance, an approach that will make the system more relevant and will provide for an increased focus on training, a focus that is well overdue.

[*English*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I want to express at the outset, my revulsion at the procedure that this government has adopted in proceeding with closure at this stage on this bill. Frankly, it is one of the most shocking—the minister laughs. All this government has done is sit around and laugh while it throttles the rights of Parliament. I say this is another example of that throttling, of that improper activity. I want to point out some of the shortcomings of the government in its dealings in this respect, because they have been legion since the election last November.

The statement I would like to read first is one of the government's former Deputy Prime Minister, Mr. Erik Nielsen. I have his book here, in case members want to hear from that. The hon. member for Yukon, as he then was, on December 11, 1964, at page 11059 of *Hansard*, said:

> The procedure of closure has been repugnant to the sense of fair play of the Canadian people. My own personal view is that never in parliamentary debate should there be a muzzling of free debate.

He went on, at page 11061, on the same date, to say:

> There is something else I will vote against when the time comes to do so, and that is the imposition of closure in the House of Commons. I will vote against the gagging and throttling of parliamentary debate, because that is what is happening.

Those are the words of the government's former Deputy Prime Minister, a former colleague. He would be ashamed, thoroughly ashamed, to witness the spectacle that is going on on the other side of this House today. His book, that great litany of delight, which has such a wonderful appendix in it, is something I would commend for reading to hon. members opposite. They might find it helpful, as they review their future careers in this House, to look at their past record as assessed by the former Deputy Prime Minister.

Having looked at what he said, how can this government square what it is doing today with the example set by Mr. Nielsen and, indeed, by all their leaders in the past? The use of closure by this government has exceeded all past known records. Never has a Parliament in Canadian history had closure applied as frequently as this Parliament has done already, and we have only been sitting for 10 or 11 months, in theory, but in practice the sittings have been much less than that.

Let us review the number of times it has been used. Last December the government used it to suspend the rules of the House so it could ram through the free trade bill. Then the Tories used it three times on the free trade bill, the first time since 1956 that closure had been so abused. It is a shocking example. Three times it was used on that bill. They got it through in the minimum amount of time in this House by using closure at every stage at the earliest possible opportunity.

You would think that having done it once, the Conservative members would give up and say: "Okay, we have abused our position, perhaps, once. We had some justification in the previous Parliament." But let us look at the record.

The government called us back after three months off; January, February and March. We were called back for April, May and June, and by June the government was using closure again, because it said we were not passing its bills quickly enough.

If the bills are not going through fast enough to satisfy this bunch, I suggest they should have had us here in January, February and March when we could have discussed them. But government members said, "No, we don't need Parliament around. Parliament is something we don't want to hear from. Parliament damages our reputation. Parliament tarnishes the reputation of this government in the eyes of the public because they see how bad we are." That is their attitude and they should think that way because they are dreadful. This bill is dreadful and I will deal with its merits in a moment.

That is not all. We had closure applied three times in June; on the bill on plant breeders' rights, on this bill at second reading and on the excise tax amendment. Then we had notice given on Bill C–36 in October. We had notice given on the income tax bill, Bill C–28, the other day. Now we have a gagging order, under a different rule admittedly, but a gagging order. This is the first time this has been used in our Parliament but it is the same

principle. It is an attempt to gag debate, to throttle the rights of this House to have open and free discussion of the government's legislative proposals. I say to the ministers opposite that they should be ashamed.

Let's look at the record of this bill itself. The bill was read for the first time on June 1 of this year. It was debated at second reading on June 6, and again on June 7 and June 21. Let's see how long it was discussed on each of those occasions. On June 6 it was discussed one hour and 40 minutes. On June 7, two hours and 40 minutes; and on June 21, the day the government applied closure at the second reading stage, nine hours and one minute.

That is the total length of time spent on second reading. The Tories rammed the bill through at second reading and then they adjourned the House for the summer. That is how urgent they regarded this thing. They said, "Oh well, we can adjourn the House for an extra two weeks in September because we don't need to have everybody back on this. It is not urgent." Now, all of a sudden it is urgent, they have to have this bill through tomorrow.

We have had only one day of debate at report stage. Look at the Order Paper. There are 43 amendments set down to discuss at report stage on this bill. Obviously it is highly contentious. As well are a lot of problems with this bill. Every speaker has said so. The government closes its ears and says, "We are not going to listen to that. We don't want the Canadian people to hear that. We are going to cut off debate in this House so they can't hear it." It is a disgraceful way to run a Parliament.

The responsibility for running this House rests over there. It is the government that controls the agenda in here. Everyone knows that, and it is ramming the bill through this House and not giving the members of the opposition a decent opportunity to make the points that they should be making against this dreadful bill.

Let me turn to some of the comments that have been made about Bill C–21. This Unemployment Insurance Act affects one of the premier social programs in Canada. It is a huge expense, about $13 billion as I understand it. That is a very significant social program in Canada and these changes are significant. They are major changes. They have been denounced by almost every group who appeared before the committee condemning these changes. Yet this government sits here and says, "We don't want to discuss it any more. One day in committee stage is more than enough. Canadians are hearing too many bad things about our policies. We don't want to discuss it any more."

Listen to what the Canadian Council on Social Development had to say about Bill C–21. Let's listen to some of the criticism it has made of this bill and see why the government is so reluctant to have it discussed. I think these reasons betray the justification that the government claims for using closure. It indicates that the government does not want to hear these criticisms. Let me read some of them into the record.

In a recent communique released October 2, subsequent to its presentation to the committee, the Canadian Council on Social Development said this:

> Low–income workers will be disproportionately affected by the cutbacks: 80 per cent of those affected will have incomes under $25,000 a year, according to calculations by Global Economics Ltd.
>
> The main disincentive to work is not UI benefits, but low wages. Most jobs available to UI recipients are at, or scarcely above, the minimum wage. A worker making the $4.00 federal minimum wage today, earns an annual income of $8,320. The average provincial minimum wage in 1986 supported a worker with dependent spouse and child at only 48 per cent of the Statistics Canada poverty line. The solution is to improve wages, not lower UI benefits.
>
> The proposed financing arrangements are regressive. Low income workers pay a larger percentage of their total earnings into UI premiums than do higher–income workers. Likewise, smaller employers pay proportionately more than do large employers. By funding labour adjustment programs from changes to UI, the government is shifting the burden from general taxation onto employers and workers, and more so onto those at lower income levels. Since a two–earner family with two children living on $20,000 a year will—as a result of this government's policies—be paying $1,424 more in income and sales tax in 1990 than in 1984 (according to CCSD calculations), low–income Canadians can ill afford the further burden of UI changes.

That is the statement by the respected Canadian Council on Social Development. Those are the criticisms that it levels against this bill.

• (1540)

The hon. member for Burlington shakes his head. He knows perfectly well these criticisms are valid. He should be supporting this council and denouncing this bill and this government for introducing such a piece of legislation and then trying to ram it through this House by the use of time allocation techniques and closure. That is what has been going on at every stage and it is not justified by any of the facts relating to the time on which this bill has been debated in this House. It has not been obstructed. It has not been prolonged unduly. This government is too impatient to allow Canadians to hear the truth about the savage policies that it is introducing in this country which are wrong and should be withdrawn.

The Acting Speaker (Mr. Paproski): Before I recognize the hon. member for Simcoe Centre, I have looked at the motion of the member for Mission—Coquitlam and I will accept it. The debate is on the amendment.

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, I am pleased to stand in support of this motion and I welcome this opportunity to speak.

This government wants to get this wonderful country operating with every worker in a place of meaningful employment. It is urgent that no time be lost. Bill C-21 will help women, youth, part-time and seasonal workers, disabled and aboriginal peoples, older people and unemployed to take advantage of programs that will enhance their ability to take their place in the workforce. It will open the doors to better quality jobs and higher wages.

We have been accused of being hard-hearted, cold, uncaring and unloving, but let me tell you, we are just the opposite. This government believes in giving Canadians the opportunity to train and retrain for jobs that are waiting to be filled. How much better to be working than sitting with unemployment benefits and no hope. Remember, we are the government which has created the opportunities that increased jobs since 1984 by 1,555,000. Statistics Canada has said that since January we have created 189,000 jobs.

I just want to mention here that the unemployment insurance program is vital to the well-being of Canadians. Its role as a social safety net in providing temporary income protection to unemployed Canadian workers is essential and it is endorsed by this government.

A recent survey by Statistics Canada showed that 14 per cent of Canadian manufacturers were facing production problems due to a lack of skilled labour. Unless action is taken, these problems will likely become more acute in the 1990s.

Bill C-21 is a strategy for the future of Canada. It is one of many policies which have been developed to turn this country from being debt ridden to a country of sound management. We must not delay this program. Let us get on with the jobs we have been elected to do and support this motion.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I appreciate this opportunity to address this motion of the government. I have been in this House now for five years. Over the course of the last five years this government, in an ever-more-frequent fashion, has invoked closure in order to cut off and stifle debate on issues of national concern.

We have before us a bill to amend the Unemployment Insurance Act, a bill that will affect, in a very direct way, hundreds of thousands of Canadians, a bill that will adversely affect the working poor in Canada. This government, in its arrogance, has decided to invoke closure to cut off debate.

You, Sir, have considerable experience in this House. You have been here for quite a number of years and know the rules of parliamentary procedure with respect to the invocation of closure and the stifling of debate. Yes, there is a place for closure in a democratic system. At times it may be necessary for a government, in very extreme circumstances, to cut off debate, to eliminate further discussion of a piece of legislation. But I would submit to you, Mr. Speaker, that those situations are extremely rare indeed. This government has done an about-face.

A few years ago when the Conservative party was in opposition its members spoke about the arrogance of closure. They referred to it as repugnant. The former Deputy Prime Minister, Erik Nielsen, on many occasions stood up on this side of the House when he was in opposition and criticized the imposition of closure. In fact, ministers of the Crown in the House here today have stood up and spoken against the bringing in of closure.

I think it is important that we ask why this government has decided to cut off debate, to muzzle discussion of this particular piece of legislation. I think the reasons are obvious. Of the 202 groups that appeared before the committee, the overwhelming majority opposed this bill. The overwhelming majority, 157 to be exact, recommended some very major changes.

It is not as if this is the first time that this government has brought in closure with respect to Bill C-21. In fact, at second reading stage, closure was invoked and, as was indicated previously, this bill was debated for a total of about 12 or 13 hours. That is not a long period of time when you consider the ramifications of the provisions in this particular bill.

Finally the bill did go to committee. The committee did travel. It did listen to Canadians. The itinerary was not as extensive as the opposition wanted it to be.

Mr. Kempling: It was exactly what the opposition asked for.

Mr. Nunziata: But the committee began to deliberate on some of the recommendations that were made by the various groups that appeared before the committee. Instead of debating fully the recommendations and amendments presented by the opposition, for the second time in the consideration of Bill C-21 at committee the Conservative members again invoked closure to cut off further debate.

Here we are back in the House at report stage and this government again invokes closure. It is clear why it is doing so; it is clearly embarrassed. The government knows that the longer we debate and discuss this particular legislation, the more opportunity Canadians will have to respond and the more heat it will take for this very regressive measure.

It is not as if the parliamentary timetable would not permit some extra discussion and debate on the 43 amendments that are on the *Order Paper* and before Parliament. The Prime Minister decided in June that he would take a three or four-month holiday, notwithstanding that the rules of the House specified a specific period of time for this House not to be in session. This government decided to take a few extra weeks' holiday, much to the chagrin and opposition of members on this side of the House. Why, if the government was so intent on dealing with this bill in such a quick fashion, did it not recall the House at an earlier point in time? Why, for example, has the House leader for the Conservative party not asked the opposition House leaders to extend the debate into the evening hours? It is clear that this government does not want any further discussion or debate.

• (1550)

The invocation of closure goes contrary to some of the very basic tenets of democracy, of the parliamentary system of government. In any democracy it is important that governments introduce legislation , that there be a fair and full debate and that the opposition be permitted to present alternatives. In the end, the government has a sufficient number of members in order to defeat any proposal made by the opposition parties.

What is important in a democratic system is that there be that debate, that discussion, in order for Canadians to fully understand. To invoke closure, in my respectful submission, Your Honour, is to show contempt for this Parliament. Contempt has been shown not only on this occasion but on many other occasions in the past five years, including in the past year or so, when this government on numerous occasions—four times during the free trade debate—invoked closure.

Canadians believe that there ought to be discussion and debate and will not accept arrogance on the part of the government. We in the opposition would very much like the opportunity to debate the merits of Bill C-21. A great number of my constituents will be directly affected by the provisions of this piece of legislation that runs about 33 pages.

I believe that I have a responsibility, indeed a duty, to speak to this bill, to articulate in the House of Commons and at committee how this particular legislation will affect my constituents. Because this government has chosen to invoke closure, my parliamentary privileges are affected in an adverse way because I will not have that opportunity to present my objections to Bill C-21. I will not have the opportunity to share with my colleagues on this side of the House and on that side of the House the reasons why the constituents of York South—Weston will be adversely affected by this piece of legislation.

In summary, let me say that we on this side of the House do not accept the arrogance of this government. We want to continue to debate this bill to discuss the merits of the legislation.

I know that I have but a few minutes to put on the record some of the concerns that I have. You are indicating, Mr. Speaker, a minute. Now how can I, in one minute, in 60 seconds, deal adequately with a bill that has 33 clauses, a bill that has drawn the attention of over 200 groups? How can I, in a reasonable fashion, deal with this bill in 60 seconds?

Mr. Harvard: It's impossible.

Mr. Nunziata: It is impossible. My colleague says it is impossible. The government knows that. I want to know why the government is afraid to allow me and my colleagues on this side of the House the opportunity to represent our constituents in a responsible way.

I have prepared submissions on Bill C-21. I am not being given the opportunity to present the submissions to this House. I find that regrettable. I know that you, Sir, are an individual who respects the tradition of this House.

Sir, you have been in this House for some 20-odd years and you know how important parliamentary debate is. I challenge other members of long standing in this House to point to another government at any point in history that has shown the arrogance and the undemocratic nature that this Conservative government has shown. Indeed it is a contempt of Parliament.

You sitting in the chair, Mr. Speaker, should not allow that to happen. I would ask you, Sir, to stand up for those rights.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Nanaimo—Cowichan—Fisheries—Fish processing regulations / Enforcement of landing requirements; the Hon. Member for Swift Current—Maple Creek—Assiniboia—Canada Pension Plan—Request for amendment of Act—Disabled persons; the Hon. Member for Battlefords—Meadow Lake—Canada Post Corporation—Services in communities /Minister's position.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT

ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-21.

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

> That, in relation to Bill C-21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, not more than one further sitting day shall be allotted to the consideration of the report stage, and two sitting days to the consideration of the third reading stage of the bill; and
>
> That, fifteen minutes before the expiry of the time provided for Government Business on the day allotted to report stage consideration, and on the second day allotted to the third reading stage consideration of the said bill, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question necessary in order to dispose of the stage of the bill then under consideration shall be put forthwith and successively, without further debate or amendment.

and the amendment thereto of Ms. Langan (p. 5060).

The Acting Speaker (Mr. Paproski): It now being 3.57 p.m., the two hours provided for the consideration of the motion now before the House under the provisions of Standing Order 78(3) have expired.

Accordingly, under the terms of the standing order it is my duty to interrupt the proceedings and put every question necessary to dispose of the motion.

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the amendment will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the amendment, which was negatived on the following division:

(*Division No. 90*)

YEAS

Members

Allmand
Althouse
Angus
Arseneault
Assad
Bellemare
Benjamin
Berger
Bevilacqua
Black
Blondin
Brewin
Butland
Campbell (South West Nova)
Catterall
Clancy
Comuzzi
de Jong
Dingwall
Dionne
Ferguson
Finestone
Fisher
Fontana
Foster
Gaffney
Gagliano
Gauthier
Gray (Windsor West)
Grey (Beaver River)
Guarnieri
Harb
Harvard
Harvey (Edmonton East)
Heap
Hopkins
Karygiannis
Keyes
Kilger (Stormont—Dundas)
Kristiansen
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
Lee
MacLaren
Manley
Marchi
Marleau
McGuire
Milliken
Murphy
Nault
Nunziata
Nystrom
Ouellet
Peterson
Phinney
Pickard
Proud
Rideout
Riis
Robichaud
Robinson
Rocheleau
Rodriguez
Skelly (Comox—Alberni)
Stewart
Stupich
Taylor
Vanclief
Volpe
Walker
Wappel
Whittaker
Young (Beaches—Woodbine)—74

NAYS

Members

Anderson
Atkinson
Attewell
Beatty
Bertrand
Bjornson
Blackburn (Jonquière)
Blais
Blenkarn
Bosley
Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)
Brightwell
Campbell (Vancouver Centre)
Casey
Chadwick
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon—Souris)
Cole
Collins
Cook
Côté
Couture
Crosbie (St. John's West)
DeBlois
de Cotret
Desjardins
Domm
Dorin
Duplessis
Edwards
Epp
Fee
Feltham
Ferland
Fontaine
Friesen
Gérin
Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)
Greene
Gustafson
Halliday
Harvey (Chicoutimi)
Hawkes
Hogue
Holtmann
Horner
Horning
Jacques
James
Jelinek
Johnson
Kempling
Kilgour (Edmonton Southeast)
Koury
Langlois
Layton
Leblanc (Longueuil)
Lewis
Littlechild
Loiselle
Lopez
MacDougall (Timiskaming)
Masse
Mayer
McCreath
McDermid
McDougall (St. Paul's)
Monteith
Nicholson
Nowlan
Oberle
Plamondon
Plourde
Porter
Pronovost
Reid
Reimer
Ricard
Richardson
Robitaille
St-Julien
Schneider
Shields
Siddon
Sobeski
Soetens
Sparrow
Stevenson
Tardif
Thompson
Tremblay (Rosemont)
Turner (Halton—Peel)
Venne
Vézina
Vien
Vincent
Weiner
White
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard
Worthy—106

The Acting Speaker (Mr. Paproski): I declare the amendment lost.

The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

The House divided on the motion, which was agreed to on the following division:

(Division No. 91)

YEAS

Members

Anderson
Attewell
Bertrand
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Brightwell
Casey
Champagne (Champlain)
Chartrand
Cole
Cook
Couture
DeBlois
Desjardins
Dorin
Edwards
Fee
Ferland
Friesen
Gibeau
Greene
Halliday
Hawkes
Holtmann
Horning
James
Johnson
Kilgour (Edmonton Southeast)
Langlois
Leblanc (Longueuil)
Littlechild
Lopez
Masse
McCreath
McDougall (St. Paul's)
Nicholson
Oberle
Plourde
Pronovost
Reimer
Richardson
St-Julien
Shields
Sobeski
Sparrow
Tardif
Tremblay (Rosemont)
Venne
Vien
Weiner
Wilbee
Assiniboia)
Worthy—106

Atkinson
Beatty
Bjornson
Blais
Bosley
Bouchard (Lac-Saint-Jean)
Campbell (Vancouver Centre)
Chadwick
Charest
Clark (Brandon—Souris)
Collins
Côté
Crosbie (St. John's West)
de Cotret
Domm
Duplessis
Epp
Feltham
Fontaine
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Harvey (Chicoutimi)
Hogue
Horner
Jacques
Jelinek
Kempling
Koury
Layton
Lewis
Loiselle
MacDougall (Timiskaming)
Mayer
McDermid
Monteith
Nowlan
Plamondon
Porter
Reid
Ricard
Robitaille
Schneider
Siddon
Soetens
Stevenson
Thompson
Turner (Halton—Peel)
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—
Winegard

NAYS

Members

Allmand
Angus
Assad
Benjamin
Bevilacqua
Blondin
Butland
Catterall
Comuzzi
Dingwall

Althouse
Arseneault
Bellemare
Berger
Black
Brewin
Campbell (South West Nova)
Clancy
de Jong
Dionne
Ferguson
Fisher
Foster
Gagliano
Gray (Windsor West)
Guarnieri
Harvard
Heap
Karygiannis
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
Lee
Manley
Marleau
Milliken
Nault
Nystrom
Peterson
Pickard
Rideout
Robichaud
Rocheleau
Skelly (Comox—Alberni)
Stupich
Vanclief
Walker
Whittaker

Finestone
Fontana
Gaffney
Gauthier
Grey (Beaver River)
Harb
Harvey (Edmonton East)
Hopkins
Keyes
Kristiansen
LeBlanc (Cape Breton Highlands—Canso)
MacLaren
Marchi
McGuire
Murphy
Nunziata
Ouellet
Phinney
Proud
Riis
Robinson
Rodriguez
Stewart
Taylor
Volpe
Wappel
Young (Beaches—Woodbine)—74

• (1630)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

* * *

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

The House resumed from Monday, October 23, consideration of the motion of Mr. Mazankowski that Bill C-36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee.

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, I cannot stress how important the passage of this bill is to the agricultural industry of Canada. Farmers have made economic decisions based on the availability of advance grain payments; agri-business is relying on farmers making economic decisions whether it be in the area of purchasing equipment, fertilizers or seed; rural municipalities are expecting that taxes will be paid. Canadians generally have come to depend on this traditional availability of cash, and to delay Bill C-36 any further would be a disservice to those whose employment and standard of living depend on this bill. To delay is purely unconscionable.

This bill is important to farmers. They have told me that they are prepared to pay their share of the national debt. There is absolutely no argument with them in any way, shape or form on that subject. However they do object to members of the opposition delaying this bill, and they have said that they will remember them next

election day. They have said to me: "You are the government; you fix this matter." Therefore I move:

That this question be now put.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): The motion is debatable.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, in direct response to the motion put forward by the hon. member for Regina—Wascana, he must have the interests of Saskatchewan producers at heart. He must know that this bill, as it stands today, cannot go forward without proper and adequate debate in the House. It is particularly within the knowledge of the government and the government member who moved this motion that the Advance Payments for Crops Act, up until this point, very clearly outlined that this bill provided for the easy sale of grains and for the orderly marketing of grains under the Canadian Wheat Board.

It is not a loan that the farmer borrows against the crop that is in the bin. It should not be subject to the payment of interest, and that is essentially the nature of the bill before us.

The government is insisting that farmers pay an interest rate on the loan. Let me read into the record something that was in the local newspaper in my riding to support the argument that I am making here. The Prairie Pools was quoted in the North Battleford *News Optimist* as calling for a reinstatement of the interest-free cash advance for farmers. In a letter to the agriculture minister, which the Minister of Agriculture must have received by now, the president of Prairie Pools, Mr. Doug Livingstone, stated: "the interest-free cash advance is valuable in providing farmers with much needed cash during surplus stocks and tight quotas". Let me quote directly from that letter. Mr. Livingstone states: "Charging interest on cash advances may affect a producer's ability to wait for delivery opportunities later in the year".

The Prairie Pools and other farm organizations across the prairies have been telling this government since April 27, when this government first announced that it was going to go ahead with this bill, that this is not a program that should be subject to interest rates. This is quite clearly a program that allows for the sale of farm products.

I am sure you have seen how a farm operation works, Mr. Speaker, just as the member for Regina—Wascana would have seen how a farm operation works. You harvest your crop, you put it in the bin, and then you move it to the elevator for sale. It is at the elevator that the crop gets purchased. When the crop is sitting in the bin and the elevator is full, the farmer cannot move the crop from the bin to the elevator. Therefore it sits there. The farmer's bills are adding up because the people he borrowed money from during the summer in order to get the crop in and harvested cannot now be paid.

With this bill the government is adding an extra burden to this whole process of trying to move the grain from the bin to the elevator to export and as such is throwing a damper on the whole orderly marketing of grain.

Under no circumstances can the motion moved by the member for Regina—Wascana be heard at this point in time. The government still has not heard from a number of rural representatives both of my party and of the Official Opposition in the House. A number of witnesses are anxious, the Prairie Pools included, to appear before the committee of the House.

The Prairie Pools wants this government to hold off any planned changes to the cash advance until there is a thorough study of the possible effects of farm cash flow on agricultural marketing, which means there is a normal course of delay that should be taking place here.

• (1640)

If this government were really serious about protecting the interests of western Canadian farmers, it would withdraw this bill immediately and put into place the provisions of the statutes which presently exist. Those statutes call for the government simply to put out the forms for the cash advance program so that the farm community would, right now, have access to the cash advance. Interest-free as it may be, that is exactly the way it should be.

I also want to point out that I have received a number of phone calls over the course of the last couple of weeks from producers, some of whom are being pressured to pay debts by the Farm Credit Corporation which is stating: "If you can get a cash advance, we will be able to swing you through until this whole process is complete." Those particular farmers are wondering what they are supposed to do.

The government, last April 27, knew what it wanted to do with this cash advance program. It sat on it all the way through to now, and some of my constituents are in a real bind because they are not able to get the cash advance on which they are counting to pay off their debts. It is a direct responsibility of this government to ensure that farmers are able to hang on to what they have come to count on. In fact farmers do count on it for the sale of their grain and the maintenance of their farms.

This government has been so proud of its record on agriculture. Every time somebody on the other side of the House stands up, it is to talk about what this government has done for agriculture.

What state is agriculture in in this country? It is worse than it was under the previous government which had also mowed agriculture into the ground. Everything this government has done has been simply band-aids on problems. Not a single financial problem in the agricultural sector has been alleviated by any of the programs that have been instituted since 1984. One full term in government, and now we are into a second term of this particular government and the farm crisis is broadening. Bills like this are creating no end of difficulty for the producers who do not know what to do from one day to the next. They do not know where they are going to turn.

This year the crop in some parts of Saskatchewan and western Canada is better than it was last year because of the massive drought that hit the prairie provinces. There is a bit better crop in some areas of Saskatchewan and western Canada, and what happens? They cannot sell it now. They cannot get the money for the crop now because this government is holding back on this whole interest-free cash advance program.

The whole process up to this point has been quite disgusting and unnerving. The government should actually be ashamed of itself for talking about how wonderful it has been to agriculture, and then on the other hand pushing it down one more time. Not only is the government going to have a tax revolt on its hands and a train revolt, it is going to have an agriculture revolt if it keeps this sort of thing up.

The last time I spoke on this bill was on the motion of the Liberal party to hoist this matter for six months. At that point I suggested that the government was listening as much on this issue as it was listening on the issues of the goods and services tax and of VIA Rail. We have a situation where the people of Canada, the producers, the people who are most affected by government legislation, are doing the talking and the government is not doing the listening. They are doing exactly the opposite thing of what is demanded by the market-place, the market that they are so proud of out there.

I have had a large number of telephone calls in my riding concerning the cash advance. Every single one of those calls advocates a support for the interest-free cash advance, not because they are looking for a hand-out from the government and free money, but because that is the nature of this program. That is what is needed. A short time ago the hon. member for Moose Jaw—Lake Centre outlined the purpose of this whole process when he stated:

> The Advance Payments for Crops Act was a benefit not only to producers but to small businesses as well. As we all know, the farmer lives on credit for a good portion of the year and advance payments allow him to pay his bills to small business people who are themselves suffering.

As this government will know, the hon. member who chairs the goods and services tax committee, the finance committee here in the House, has heard from people all over Canada. Small business people in western Canada are saying that this government, through the goods and services tax, is putting a burden on them that they cannot bear.

One of the reasons they cannot bear it is the pressure from the agricultural community at this point that the bills are not being paid. The economy is just too poor.

My colleague, the hon. member for Moose Jaw—Lake Centre, also stated:

> With this change in the Prairie Grain Advance Payments Act, it is quite clear that farmers will not be utilizing the programs as they had

before. A study by the UPA in Quebec indicated that approximately 10 per cent of producers now utilizing the Advance Payments for Crops Act will utilize it when the interests amended are added to this act.

It is destroying the program. Putting the interest rate on to this program simply eliminates it, simply gets rid of the program altogether. This government may just as well have reduced and destroyed the program.

The Acting Speaker (Mr. Paproski): The hon. member's time has expired. Before I recognize the next hon. member, there is a point of order by the Minister of Justice.

ROUTINE PROCEEDINGS

[*English*]

STANDING COMMITTEE ON FINANCE

AUTHORIZATION FOR SUBCOMMITTEE TO TRAVEL

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the parties and I think you would find unanimous consent for the proceedings to be interrupted for me to put the following motion without debate. I move:

That a subcommittee of the Standing Committee of Finance composed of one member from each recognized party in the House, be authorized to travel to Yellowknife (Northwest Territories) on Thursday, October 26, 1989 for the purpose of hearing witnesses on the committee's consideration of the goods and services tax;

And that the necessary staff do accompany the committee.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, on behalf of the opposition and in a spirit of co-operation that we always show with the government when we are approached and asked about these things, we will of course agree to the motion that the minister has proposed and give our consent.

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

Some Hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act be read a second time and referred to a legislative committee; and the amendment of Mr. Schneider (p.5069).

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I enjoyed myself last Friday when I was speaking to the amendment on this bill. I was only allowed 20 minutes and I have two hours' worth of stuff.

I want to start off by mentioning my hon. friend, the member for Regina—Wascana, who did what I consider to be the dumbest thing any member from the prairies could ever do, that is, to try and cut off debate on interest-free cash advances for farmers. I am not complaining about that. If he is going to be that stupid, I will be glad to help him out.

I want to say to my hon. friend that I challenge him to debate this matter in some place in his riding like Montmartre. You set the date, time, and place, and I will be there. I want you to do that; just give me a couple of weeks' notice. We will take this out to your farmers in the rural part of Regina—Wascana. Of course one of us will bring the *Hansard* record with us.

The government is breaking its own law by refusing both Treasury Board and cabinet to authorize the Canadian Wheat Board or the other agencies in the rest of Canada to issue cash advances, interest-free, on farm production.

• (1650)

I hope there are some legal eagles checking on this because I suspect the law says the Minister of Finance "shall", not "may" pay to provide the funds for the Canadian Wheat Board and the other agencies that issue the funds as a cash advance on that farm production.

If there ever was a backhanded, underhanded manner in which to subvert the law of the land, it is to not provide the money. The new crop year starts August 1 in the case of grain in the Canadian Wheat Board area.

Since August 1, the government has refused to allow the Canadian Wheat Board to issue cash advances which under the law it is allowed to do. What lengths the government goes to to subvert the law.

It is the same as what Otto Lang did when he tried to repeal the temporary Wheat Reserves Act to save the government $100 million by not having paid the Canadian Wheat Board storage costs on certain amounts of grain for the previous 18 months. We took him to court and beat him. We collected $100 million for the grain producers of western Canada.

The same thing is occurring again, only this time the faces have changed. They are just as ugly as the previous ones. The names have changed, Liberal–Conservative, Conservative–Liberal, the same breed of cats. Now the Tories are doing the same damn thing that they condemned the Liberals for doing.

When we are talking about interest–free, I had a chance to briefly mention last Friday about deferred corporation taxes. Almost $40 billion have accrued on the books of this country by corporations that were allowed to defer their taxes and they do not pay them back. In fact, it is an interest–free loan.

I suggested last Friday, Mr. Speaker, that if you were to charge 10 per cent interest on those deferred corporation taxes, which is at least 3 per cent below the bank rate, you would pick up $4 billion a year for the Government of Canada. I think that is a neat way to reduce the deficit.

The point is, there can be interest–free loans for corporations like the CPR, Bell Telephone, and International Nickel, but an interest–free cash advance for farmers is a no–no, say the Tories.

I do not necessarily know whether or not there will be any resurrections, but if there were one I would hope it would be the former member for Prince Albert who would come back and haunt the hon. Minister of Energy who sits there as a fine Christian gentleman. Mr. Diefenbaker, I am sure, would love to shake his jowls at him, poke his finger in his ear, in his nose, and in his eye about what he is doing to a program brought in in 1957. I find this passing strange. In fact, in western Canada, people of all political stripes applauded Mr. Diefenbaker, his political foes as well as his friends, and every farm organization, for bringing in something that we had been trying to get the Liberals to do since 1947, and we got it in 1957.

Who is trying to do away with it? The same outfit that brought it in. I do not think even the Liberals are that stupid, but the Tories are. In fact, they are setting records all the time. They set one today.

Many times the Tories berated the Liberals when they were in government for closure and time allocation and they did a terrible number of them. When one is in, the other one is out and all they do is exchange speeches. But the Tories today set a record. Always before, with the Liberals, you had a least two or three days to debate, but today the Tories set a record of one day. How about that? What a record to meet.

Now the Tories have set another record. They are destroying a program that was unanimously approved of, accepted, agreed to, and supported right across political lines and by all the farm organizations, including the ones that fight among themselves and with each other, and has been supported consistently since 1957.

I know it is a fond hope, but if the three and a half Tories who are in here would not mind, if they would go back to their own caucus and their—

An Hon. Member: Two and a half.

Mr. Benjamin: All right, two and a half. Perhaps these members would go back to their caucus and to the cabinet and say that this is a bum move, because the $27 million that the interest charges were on cash advances last year is a heck of a lot less than the cost of storing grain and transporting it. It provides a cash flow for grain producers so they can pay their taxes and their other bills. In fact, they can even make their payments to the Farm Credit Corporation.

This is such a stupid way to go about reducing government expenditures. The end result of passing a bill like this is that it is going to cost the government more than the $27 million.

I say to my hon. friend that you talk about sound business practices and business–like management, but I would not let this government manage a chicken coop. It is just blowing it. It is doing it "bass ackwards". It is so ridiculous that I would hope my hon. friend would go back to the cabinet committee or Treasury Board, or beat up on the Minister of Finance behind the Peace Tower or something, anything to get him to withdraw this nonsense. There is no saving in this for the government, and

it is at a terrible cost for agriculture producers all over this country.

Surely, my hon. friend, the minister knows that. He knows in his own area of Manitoba what a benefit this has been to grain producers year in and year out since 1957. Why does he want to cut that off? It is inexplicable, it is not explainable, not justifiable and it is uncivilized. In fact, I will close by saying to my hon. friend that it is even un-Christian.

The Acting Speaker (Mr. Paproski): It being five o'clock the House will now proceed to Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—BILLS

[*Translation*]

THE SAFEGUARD LIFE ASSURANCE COMPANY

AN ACT TO AUTHORIZE CONTINUATION AS A CORPORATION UNDER THE LAWS OF THE PROVINCE OF QUEBEC

Mr. Gabriel Fontaine (Lévis) moved that Bill S-5, an Act to authorize the Safeguard Life Assurance Company to be continued as a corporation under the laws of the Province of Quebec, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, as the member for Lévis, the city where a former parliamentary stenographer and editor for the House of Commons from 1892 to 1917, Alphonse Desjardins, founded Canada's first *caisse populaire*, the first of 1,343 Desjardins *caisses populaires* and credit unions in Quebec, I have the honour to table today a Bill to authorize the Safeguard Life Assurance Company to be continued under Quebec's Insurance Act.

On June 29, 1989, the Senate approved this bill on third reading. Established in 1901, the Safeguard was the first insurance company created and financed by the French-speaking business community in Canada. This share company again made economic history in our country in 1962 by becoming the exclusive property of the Caisses populaires Desjardins of Quebec, that is, 100 per cent owned by them. The Safeguard was the instrument—some would say the turning point—for bringing together the first holding company in Québec for financial institutions that belong to our fellow citizens through some 1,343 *caisses populaires* and credit unions in Quebec that make up the Desjardins Movement.

After a modest beginning, the Safeguard could take pride in being the largest French-speaking life insurance company in Canada in 1962, with $52 million in assets. Today, the Safeguard has $800 million in assets.

In March 1988, the elected directors of the Desjardins Movement approved the plan for the growth and capitalization of the Safeguard. Accordingly, Desjardins has already increased the company's capital and made a commitment to its future capitalization.

Today, the Safeguard is asking to be continued under Quebec jurisdiction. This is what the customers, shareholders and managers of the Safeguard want so that it can prosper and grow in this highly competitive and fast-changing environment in our country. To do so, it needs to be governed by a single control and supervision authority, the same one that already regulates all the other activities of the Desjardins Movement, namely the Inspector General of Financial Institutions of Quebec.

In addition, then-Minister of State for Finance, Thomas Hockin, the Superintendent of Financial Institutions, Mr. Mackenzie, and the Inspector General of Financial Institutions of Quebec, Mr. Bouchard, were informed of all the details of the Safeguard's plan and gave their support to this Bill.

As I said earlier, the Senate studied and approved this bill before the summer break. There was no opposition to this bill when it was considered in the Senate committee.

Mr. Speaker, the purpose of continuing this company under Quebec jurisdiction is not to escape from or reduce supervision of its affairs but to achieve greater openness.

Indeed, such a move will force the company, in addition to satisfying the rules governing federally incorporated insurance companies and the rules set by Quebec, to meet all the requirements in all Canadian

provinces from which federally chartered companies are exempt.

In conclusion, Mr. Speaker, the proposed transfer of jurisdiction for the Safeguard makes a great deal of sense and is clearly to the benefit of its shareholders and customers and the public at large. Therefore, I urge the members of this House to pass the Safeguard bill quickly so that this company can carry out its planned transfer of jurisdiction as soon as possible.

[*English*]

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I am speaking today to Bill S-5, an act to authorize the Safeguard Life Assurance Company to be continued as a corporation under the laws of the province of Quebec. I am supporting the motion that it be referred to a legislative committee.

What this means in layman's terms is that the Safeguard Life Assurance Company is asking that it be allowed to transfer its charter from a federal charter, that is federal control, to control by the province of Quebec. There are probably some extremely valid reasons for so doing, and not the least of which is that it is mainly controlled by shareholders in the province of Quebec. On the other hand, it is important that we look very carefully at the reasons for the transfer of this company and that it not be because perhaps under the Quebec charter there might be considerably more loopholes of which they can take advantage. I support the motion.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased to join the debate on Bill S-5 to authorize the Safeguard Life Assurance Company to be continued as a corporation under the laws of the province of Quebec.

I listened to the remarks of my colleague on the other side of the House, and I think I might point out that in February 1988 the management of Safeguard advised the office of the Superintendent of Financial Institutions of their intention to replace their federal charter by a provincial charter.

They gave two reasons for making such a request. First, over 95 per cent of Safeguard policyholders live in Quebec and the company intends to concentrate all future operations in that province.

Second, Safeguard wishes to avail itself of certain provisions which, in the opinion of the board, would eventually be included in Quebec's legislation on insurance companies.

The office of the Superintendent of Financial Institutions told the company that they would not raise objections if the company were to show that such a move was endorsed by shareholders and policyholders alike.

This position was then confirmed by the minister responsible for financial institutions because it was in keeping with the guidelines followed in recent years.

During the next few months the management of Safeguard consulted with their policyholders and shareholders, 95 per cent of whom approved the project aimed at securing a provincial charter. This is why the office of the Superintendent has since confirmed that it has no objection to Safeguard acquiring a provincial charter.

The bill now under consideration would authorize Safeguard to substitute a Québec government charter for the charter it now has.

As my colleague from Lévis (Mr. Fontaine) pointed out, the bill was passed by the Senate after committee hearings where it heard evidence from company management.

Mr. Speaker, I think we should—and the opposition agrees—refer Bill S-5 to a legislative committee for further consultation and disposition.

[*English*]

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

Some Hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to a legislative committee.

SITTING SUSPENDED

The Acting Speaker (Mr. Paproski): In view of the fact that the adjournment debate is at six o'clock, I must suspend the sitting now until six o'clock this day, at which time we will have the adjournment debate.

The sitting of the House was suspended at 5.08 p.m.

SITTING RESUMED

The House resumed at 5.58 p.m.

The Acting Speaker (Mr. Paproski): The time provided for the consideration of private members' business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

FISHERIES—FISH PROCESSING REGULATIONS/ENFORCEMENT OF LANDING REQUIREMENTS

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, a few days ago, in discussing the final report of the free trade panel, the Minister for International Trade said, in effect, although I did not take his words down accurately, that compensation is not easy to calculate, but the ruling is being considered. These are the words that interest me most: "Whatever we do will be in the interest of Canadians generally and those involved in the industry in particular".

• (1800)

I fear that the people involved in the fishing industry in British Columbia will take very little comfort from those words, because they have been hearing similar comments from ministers on the government side for some years now.

In November, 1987, when the Minister of Fisheries was asked about the effect of the GATT ruling, he made it quite clear as to what the government position was. He offered his assurances that those jobs would not be jeopardized in any way. He went on to state:

> The provisions of Canada's participation in GATT allow for export controls for the purpose of preserving security of supply, for ensuring adequacy of supply to plants and for the conservation of the resource. Many member nations of GATT take advantage of such export restrictions.

Later on he said, "—a government which spends over $100 million a year to manage and enhance the west coast salmon and herring industry will not allow jobs, historically established, to be threatened by any such initiative."

Further on he stated, "What we have is a panel recommendation which will, in all likelihood, be overturned by the GATT council of which we are a member, and we will be opposing that recommendation when it reaches the GATT council." Those are very comforting words from almost two years ago. But the government took no such action. It had the report from GATT, and an opportunity to appeal it. It chose not to appeal. It had the opportunity to take alternative actions, and it chose not to do that.

The government did nothing in fact, and then it signed its way into the free trade agreement, or at least accepted the final wording of the free trade deal on December 10, 1987, in which agreement it agreed not to go against any GATT decision.

On March 21, 1988, the Minister of Fisheries and the Minister for International Trade announced that Canada would not veto the GATT panel ruling. It had that opportunity and they chose not to do that. It had an opportunity to impose export taxes, prior to the free trade agreement being signed. It chose not to do that. The next day, the full GATT council accepted the panel ruling.

Then the government came up with alternative proposals. It had some sure fire methods of controlling the situation. They could have vetoed the GATT council decision. It could have imposed an export tax. It chose not to do either. Instead, totally ignoring the recommendations from everyone involved in the fishing industry in the west coast, it brought in a new system of regulations, landing requirements for B.C. salmon and herring. This was going to be the way of saving the industry for British Columbia.

A panel was set up in response to the Americans raising this issue again. The panel brought in a preliminary report on September 15. That is almost 40 days ago now. The preliminary report, which has not been released to this date to the best of my knowledge, although we were able to get copies of it from the Americans, ruled against Canada.

There was a suggestion within the body of the report that if we did not insist on 100 per cent landing, then it might be okay. It did not state it would be, but stated it might be okay if we had something less than 100 per cent insistence of landing in British Columbia. The government has taken a lot of comfort from the fact that the panel, in the body of its report, suggested that something less than 100 per cent might be satisfactory. It did not state that it would be.

Once again, as I say, the government has taken comfort from that statement. But it has not told the fishing industry, the people involved in the processing

industry, or the fishermen themselves, just what position the government intends to take.

It had 61 days in total from the release of the preliminary report. It has 21 days left, and it has chosen not to say anything, other than that it will consult the fishing industry. Again, I have not been able to find out from anyone in the fishing industry that the government is consulting anyone, and the days are slipping by.

Canada did react to the preliminary report. It had a position paper. But there is no rehearing of the case, although there was an opportunity given the death of one of the members of the panel and his replacement. There was an opportunity to have a rehearing and to hear new evidence. Evidence was available. Canada had the evidence. It has it in this paper which goes into the details as to what extent exports were going on in spite of the landing regulations. The fish were being landed in British Columbia and millions of pounds of fish were being shipped out after they were landed. So it is obvious from the evidence from affidavits that are sworn by Mr. Nordlandmann, the manager of the largest shipper of unprocessed salmon from B.C. landing stations. The evidence was there to show that it did not interfere with the shipments to the United States. Canada should have won that case. Canada still has the opportunity to say, "We are going to insist on 100 per cent landing because we need it to control the resource".

• (1805)

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, Canada and the United States received the final report of the FTA panel on Pacific salmon and herring on October 16 of this year. We are currently reviewing the report and its impact on Canadian landing requirements for Pacific salmon and herring and have not yet come to a decision. We have begun to consult with the B.C. government and the industry and have received some useful suggestions.

Under FTA rules, Canada and the United States must reach a decision on this case within 30 days of receipt of the final report. Regardless of the final decision, Canada will ensure that the conservation and management of the salmon and herring resource will not be compromised. The panel has recognized that it is the sovereign right of Canada to collect conservation and management information and that Canada does not have to depend on a foreign nation for that information.

The panel stated that Canada's landing requirements would be acceptable if provision was made to exempt from landing that portion of the catch whose exportation without landing would not impede the data collection process. The report also stated that the actual proportion should be determined on the basis of the actual data and management needs of each fishery or group of fisheries, but that a 10 to 20 per cent level would provide appropriate guidance.

The government feels strongly that it must take time to carefully study the report and complete consultations with the province of British Columbia and the industry before publicly announcing its purpose.

The government recognizes that it takes time to provide a proper assessment of the implications of the report. The critical question is whether the report permits a realistic achievement of our conservation and management requirements; that is, the ability to perform statistically valid biological sampling, the ability to obtain information needed for effective in-season management and the ability to validate catch by species, number and weight, area and time.

With the above in mind, the government is hopeful that through the consultative process and taking the time necessary to measure the impacts on the conservation of these essential resources, we will be able to ensure that our goals are met.

CANADA PENSION PLAN—REQUEST FOR AMENDMENT OF ACT—DISABLED PERSONS

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I would like to again raise in this House a concern that I have relative to the Canada Pension Plan disability pension provisions. This flows from a question put to the Minister of National Health and Welfare back on June 14, 1989, a statement pursuant to standing order of approximately the same date, and also a question put back in May 1988.

The concern relates to those Canadians who have paid into the Canada Pension Plan over the years who become disabled and, as a result of the disability, have to leave their employment, but who are delayed in applying for their disability pension. These are not common occurrences nowadays because most Canadians are

aware of the opportunity for disability pension. Indeed, if they are not, I am sure that the availability is brought to their attention by others.

But there are situations, and I think particularly of a Mrs. Donna Sinclair of Swift Current, Saskatchewan, a constituent of mine, with whose case I am well familiar. This is a lady who is 60 years old at this point in time, who contributed to the Canada Pension Plan, I believe, in 11 of 13 years between 1966 and 1978 or 1979. She had to leave her employment as a result of diabetes and subsequently has had both legs amputated. Somehow she did not know or did not understand that there was a possibility of a Canada Pension Plan disability pension. She finally learned of it from a friend or from relatives and applied in 1987. Of course, when she applied, she learned that she did not meet the test of recency because in order to be eligible, a person must have contributed, I believe, in five of the last ten years, in her particular situation. So she did not qualify.

• (1810)

It seems to me just and fair that people in this situation who have contributed through their employment, who have had to leave that employment through disability and who simply did not know of the availability, nonetheless ought not to be precluded from receiving a disability pension. Obviously there is not a simple answer to this because it does, I believe, require an amendment to the legislation. I think it is probably more complicated because the minister does not just wave a wand and do this. I think it requires federal-provincial co-operation and I am sure a lot of other things enter into it.

At this point in time, I certainly am not intending to be critical of the minister who, I think, is a very able and articulate individual. However, I do have a concern in this case that not enough is being done. I do not think that the answer given to me back in June is satisfactory, the answer being that I should put a motion on the Order Paper in regard to Private Members' Business and if and when that comes up the matter will again be raised.

We all know how Private Members' Business works. The matter may never be drawn. It is a matter of the luck of the draw and so I am taking the opportunity to again bring the matter to the attention of members in this House.

Mrs. Sinclair is not alone. I know of another situation in my constituency and other members from all sides have raised the matter with me as well. It is evident that in every constituency there are two or three or four such individuals. So it is not just an isolated situation. I think it is a situation that is deserving of attention and I, therefore, again express to the minister and to the department that it would be well to try to find a solution to accommodate people like Mrs. Sinclair who, I think, have played by all of the rules but did not understand that there was an availability.

I think what we are seeking here today is a review of the situation. I must compliment my colleague, the Chairman of the Standing Committee on Human Rights and Disabled Persons, because he has responded and indicated that that committee will be examining certain aspects of the Canada Pension Plan and has undertaken to study the economic factors involved in integrating disabled persons into our society. If and when that comes forward, certainly we will be making representations to him and his committee. I thank him for his interest in the matter.

I think this is one problem which really does need the attention of both levels of government, that is, the federal government and the provinces. I sincerely hope that at some time in the not too distant future, the matter can become the subject of some discussion between those levels of government in regard to opening up the Canada Pension Plan legislation.

In closing, I appreciate the responses that I received of some caring and some compassion and some concern and, above all else, a willingness on the part of government to try to do something about this situation. There are people who are deserving, who are needy, and I think they need some kind of response.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am pleased to respond to the concerns of the hon. member for Swift Current—Maple Creek—Assiniboia with regard to the recency test which is applied to Canada Pension Plan disability benefit applicants.

Disability benefits are intended to replace earnings lost through disability. Therefore, a recent attachment to the workforce was a requirement for benefit eligibility. This government has already amended the recency test by providing more flexible eligibility requirements.

Under Bill C-116 effective January, 1987, the Canada Pension Plan disability provisions were amended so that persons who have contributed to the CPP in two of the last three years, or five of the last ten years prior to their application, can meet the contributory requirements.

Prior to the passage of this legislation, the test of recency required that contributions were made in five of the last ten years and one-third of the contributory period.

• (1815)

It may also be noted that under Bill C-116, the time limit of 12 months retroactively for the determination of disability in the original act was extended to 15 months in 1987. Through this amendment, some persons may qualify for disability benefits up to six years or more after they leave work. Most private insurance plans for disability have much more stringent recency tests. Most limit their protection to between 30 and 90 days following the cessation of work.

I wish to say that the hon. member is not alone in his concern for the disabled Canadians who failed to meet the CPP recency tests. The department is currently reviewing the limit on retroactivity determination to see whether some further extension of this time limit would be feasible.

However, the hon. member should be cognizant of the fact that amendments to this effect must be undertaken with caution, given the possibility that they could cause more problems than they solve. For example, the farther we go in the past, the more difficult it is to assess precisely when all the relevant medical and socioeconomic factors may have resulted in the disability of the individual. This is because the factors contributing to the disability often change over time. Indeed, such changes may lead to the amelioration, the elimination, or the degeneration of the health condition.

Furthermore, if the retroactive period were substantially extended the process of disability determination would likely require more information and resources from the client, and they would likely increase the time spent on disability adjudication, potentially delaying the initial payments for some individuals. Consequently, we have to ensure that the current administrative structure can respond adequately and efficiently to any change in the legislation.

In light of these and other conditions, the feasibility of a legislative amendment must be thoroughly evaluated. At the present time, the government does not have a specific time frame within which it intends to reopen the CPP act. The hon. member knows that his request to open the act to make amendments involves a process which is complex and requires considerable time. Major changes to the CPP require the approval of two-thirds of the provinces having two-thirds of the Canadian population, as well as the approval of Parliament.

However, I assure the hon. member that should the act be reopened, his recommendations will be taken into consideration.

CANADA POST CORPORATION—SERVICES IN COMMUNITIES/MINISTER'S POSITION

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, it is a pleasure to have this opportunity tonight to address the question which I asked in this House on June 15. You will recall, Mr. Speaker, that it was on that date that Canada Post announced its profit of $96 million. It was on that day that a number of members rose in the House of Commons to discuss that profit and what it means to the services for residents of Canada.

As a result of the profit shown by Canada Post Corporation, and other matters, the Consumer and Corporate Affairs and Government Operations Committee has embarked upon a study of the operations of Canada Post, and by this time next week will have begun the hearings across Canada into the operations of Canada Post and a discussion about the future and the opportunities that Canada Post gives to residents of Canada.

The question I was asking of the minister concerned the communities from coast to coast in Canada that are organizing to save their rural post offices, or get door-to-door delivery. They are being denied the opportunity

to do that, at the same time that Canada Post records a profit of $96 million.

Canada Post, the federal government, and the minister responsible for Canada Post, made a clear choice when they decided to accept the profits of $96 million over the needs of the rural communities of Canada and the service requirements of the people who live there. Canada Post and the federal government chose big business over Canadian people in providing that service.

• (1820)

Canada Post should take that profit of $96 million and use it to repair some of the damage that it has done to the postal system over the last few years. The federal government should insist that this money be used to extend door-to-door delivery service to suburban residents. The government should insist this capital be used to re-open rural post offices which have been shut across Canada.

Canada Post should be seen first and foremost not as a money machine for the federal government, but to honour its mandate which is service first. The government has turned Canada Post into a Frankenstein of Crown corporations, and it is running amok, not accountable to Parliament, to the committees or to the people of Canada.

At the time, I also released a ten-point plan which I thought should govern the future operations of Canada Post. I would like to put part of that on the record tonight in the time allotted to me. The ten-point program includes: The primary goal of Canada Post should be to provide and extend service to Canadians. The profit created by Canada Post should be directly rolled back into maintaining and expanding service to Canadians; that all 167 rural post offices closed by Canada Post should be immediately re-opened, and that the government should review rural postal operations with the goal of extending service to areas currently in need of service.

The federal government should ensure that door-to-door delivery is extended to suburban residents, and it should do away with the supermailboxes which have become super headaches across the country. Canada Post's campaign of harassment and intimidation of its workers must be halted, and the Canada Post Crown corporation should be expected to be a model employer that sees the link between good working conditions, harmonious labour relations, and the provision of better postal service to Canadians. All post office operations should be contracted in and a halt should be put on further erosion of service and working conditions through contracting out. Service should be extended where warranted at post offices to include the sale of paper, tape or other related items for the use in preparing parcels for mailing.

The Government of Canada and Canada Post should examine the possibility of providing services to Canadians which are provided in other countries, such as, flower sales and dry cleaning drop-off points in rural parts of Canada. The Government of Canada and Canada Post should abandon the plans to sell off parts of the postal system to the private sector and get back to the business of providing service to Canadians. Finally, the Rural Route Mail Carriers Organization should be recognized by the government so that it can negotiate working conditions and standards that it does not currently have.

In presenting that ten-point program, I reiterate my previous call from the spring sitting of this Parliament for a public inquiry into the Post Office, a public inquiry which comes from the Government of Canada as opposed to the Consumers and Corporate Affairs Commission. As you will recall, Mr. Speaker, during Question Period I called on the minister to institute a moratorium on the conversion and closing of rural post offices until such time as the committee has reported and Parliament has a chance to read the report.

Canada Post's expenditure earlier this year on 64,000 videos for employees, a new mega wardrobe for its employees, its campaign to take the Canada out of Canada Post, and its national coloured glossy promotional leaflet are clear signals to Canadians: the federal government and Canada Post are trying their hardest to make our postal system a pretty package for the private sector to facilitate the government's plans to privatize Canada Post and roll back the clock on postal service and working conditions.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, in 1981 when the post office was incorporated into a Crown Corporation, it was mandated to improve the service and become financially self-sufficient.

This year is an important milestone for the post office regarding these objectives. Canada Post Corporation recorded a profit of $96 million. It is the first time in 30 years that the people of Canada are not required to subsidize their postal service when they pay their taxes.

• (1825)

The hon. member has suggested that the minister responsible for Canada Post is taking liberties with the mandate given to the corporation by Parliament. As well, he is suggesting that the profits have been achieved at the expense of service. It is an interesting suggestion but, unfortunately for the hon. member, it does not withstand close scrutiny.

When the post office was transformed into a Crown corporation, it was given an asset base that was in great need of attention. Capital investment levels were not sufficient at the time to maintain its base. Over the next five years, the corporation plans to invest $2.5 billion in new equipment and machinery. This investment is fundamental if the corporation is to continue to provide a postal service that is marked by being accessible, reliable and affordable. These investments will benefit all the customers of Canada Post and are only possible so long as the corporation continues to make a profit. Otherwise, we will return to the days when Canada Post was having to be a drain on the national treasury.

The corporation's achievement of being self-sufficient has not been achieved at the expense of service. On the contrary, the service that is provided by Canada Post has been improving. Today, the accounting firm of Ernst-Young, formerly Clarkson Gordon, released its service performance report on Canada Post. This report demonstrates that once again the corporation is meeting its commitment of on time delivery. The report reveals that the rate of on time delivery for a properly prepared, first-class letter mailed within the same urban area was 96 per cent. For delivery in the same province, it was also 96 per cent. Between provinces, these figures were 97 per cent. So you can see that we are getting on time delivery between urban centres. We have been getting on time delivery within the provinces and we are getting on time delivery between provinces. That is quite impressive for a corporation that delivers 33 million pieces of mail a day to nearly 10.7 million addresses.

Not only are delivery standards being met, but the corporation is working hard on improving accessibility. The corporation intends to increase the number of places that customers can access postal products and service. The corporation has made a commitment to Canadians that will keep rate increases below the price of inflation. This promise is being kept, as seen with the present proposed rate increase that is now before the Postal Service Review Committee.

The corporation has put forward a request to raise the price of a first-class stamp by one cent. This amounts to a 2.6 per cent increase. This is what is meant by self-sufficiency while improving service. I, and many others, do not think that that is wrong, but rather that it is something that should be encouraged and something that we are very proud of. We wish the post office continued success.

In conclusion, it is really nice to stand in the House of Commons with the galleries overflowing, the Speaker in his chair and the crowds cheering. It is wonderful to be here.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24 (1).

The House adjourned at 6.29 p.m.

HOUSE OF COMMONS

Wednesday, October 25, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

VIA RAIL

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, this government's decision to axe The Canadian is a direct attack on the regions of Canada. Ridings such as mine, Kenora—Rainy River, feel that they have been abandoned by this government.

The withdrawal of The Canadian does not make any sense. In fact, VIA Rail's own documents show that The Canadian was the fourth busiest in Canada, carrying more than half a million people a year with the best occupancy rate on the system, 70 per cent annually and 94 per cent in the peak summer season. In fact, the VIA review states that The Canadian would not have seen further traffic growth beyond 1993 because it would have been operating at full capacity.

If this government had put money into new and upgraded equipment, it would have been able to save many of the routes it has cut. Instead, it chose to attack once more the regions of Canada. The constituents of Kenora—Rainy River and many millions of Canadians will not forget this travesty of justice.

* * *

[*Translation*]

SCHOOL SAFETY WEEK

Mr. Yvon Côté (Richmond—Wolfe): Mr. Speaker, from October 17 to 24, the Canada Safety Council observes its annual National School Safety Week, to promote accident prevention among school children.

This year, the campaign is about playing safe and watching out for others. It focuses on the issue of playground accidents, which cause injuries that could have been avoided. The campaign has also drawn our attention to Canadian standards for the construction, design and manufacturing of the equipment on public and private playgrounds.

The Canada Safety Council has launched a safety appeal to all Canadians, including the general public, municipalities, day care centres in schools, and parents, asking them to be alert to all possible dangers and make any changes that might be necessary, for instance, in the installation and maintenance of merry-go-rounds, supervision of young children; and teaching children safe games and how to be courteous.

We whole-heartedly support the efforts of the Council and provincial organizations to promote children's safety by enhancing public awareness and through preventive education.

* * *

[*English*]

DISARMAMENT WEEK

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, 11 years ago, the first United Nations Special Session on Disarmament proclaimed October 25 as the beginning of Disarmament Week.

As we approach the end of this decade, positive, far-reaching changes appear inevitable. Superpower leaders, especially Premier Gorbachev, are beginning to recognize the financial and military limits to the arms race.

The cold war is over. The dismantling of NATO and the Warsaw Pact have become realizable goals. New and exciting possibilities exist. Yet it saddens Canadians to see our government still using cold war rhetoric, allowing cruise missile testing, low level training flights, as well as nuclear armed ships in Canadian ports. Our government encourages and subsidizes the arms industry when it should do everything possible to make those industries obsolete.

Canada can and must play an important and historical leadership role in global disarmament. We need a government with the vision and the courage to think new thoughts. We need a government that is part of the solution, not part of the problem.

* * *

[*Translation*]

SMALL BUSINESS

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, we all know the substantial role played by small business in this country. Ninety-eight per cent of Canada's 900,000 businesses are small businesses. If every one of these created one job in this country, there would be practically no more unemployment.

As you know, many of these small businesses are managed by business people who belong to our ethnic communities.

Mr. Speaker, I would like to take advantage of Small Business Week to bring to your attention a brand new directory of ethno-cultural business organizations which has just been published. This directory provides information on about 150 organizations and will help Canadian business people expand their contacts with various cultural communities in Canada and abroad.

Ethnocultural business groups are one of the moving forces of our economy, and as a result, Mr. Speaker, I think we cannot deny that multiculturalism in Canada has an economic dimension.

Canada should use its ethnic and racial diversity to enhance its position on international markets.

* * *

• (1410)

[*English*]

VIA RAIL

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, while this government slashes VIA Rail, Amtrak poises itself to fill the void. Yesterday in the *Winnipeg Free Press*, Amtrak advertised a new service to connect Winnipeg to the U.S. passenger rail network. The ad states: "It's easy, just get on the bus at the Winnipeg VIA Station".

What a transportation policy: Kill VIA, all aboard Amtrak; force Canadians to use an American bus link to the American railway network and make profits for Americans.

Amtrak says in the ad: "We'll get you to Grand Forks in time to catch our superliner, the Empire Builder". What a fitting name for the train. First this government goes to bed with the Americans through the free trade agreement and now the government shuts down the passenger rail system, the very symbol of our independence.

The Americans move in to pick up the pieces. Ride the Empire Builder, Mr. Speaker. "You can connect with any other train in the Amtrak national system. It could be the best connection you make all day."

We on this side of the House want passenger rail connections to be from The Canadian to the Supercontinental. We say leave the Empire Builder to the Americans and their Tory friends.

* * *

[*Translation*]

THE NORTH

Mr. Guy St-Julien (Abitibi): Mr. Speaker, on October 20 this year, I went to the Inuit community of Salluit for the opening of their new airport. I spent some time in two grocery stores. At the *Fédération des coopératives du Nouveau Québec*, a dozen eggs sold for $2.75 and 1.38 ounces of black pepper for $3.60. At The Bay, a litre of 2 per cent milk cost $2.74, butter sold for $3.74 a pound, while a loaf of bread cost $1.89. On top of that, Mr. Speaker, effective November 13, 1989, Canada Post is going to raise the rates on commercial parcels sent by air freight to Quebec's northern regions. This means, for instance, that the price of bread will go up 80 per cent.

Mr. Speaker, I want to ask the Government of Canada, Canada Post, the Department of Indian and Northern Affairs and the Department of National Health and Welfare to put an immediate moratorium on rate increases for commercial parcels containing essential products such as bread, butter, eggs, milk, medicine and all types of children's good.

[*English*]

SKATE CANADA INTERNATIONAL

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, I know that all members would like to join me in extending best wishes to the young men and women who will be representing our country at the Sun Life Skate Canada International which will take place October 26 to October 29 in Cornwall, Ontario.

A total of 62 skaters representing 14 countries will participate in this the third ranked figure skating event in the world.

[*Translation*]

This competition will be extremely important for many young athletes who hope to represent their country at the 1992 Winter Olympics at Albertville, in France.

[*English*]

Aside from the singles, pairs and dance competitions, there will be the debut of the men's, women's and fours artistic program which replaces the compulsory figures in international skating.

I am sure that the city of Cornwall will be an excellent host for this international sporting event and that Canada's athletes will again proudly display their talents and expertise for the rest of the figure skating world.

* * *

[*Translation*]

AUDITOR GENERAL'S REPORT

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, with his customary dedication, Canada's Auditor General, whose mandate is to ensure that public funds are properly administered, made recommendations yesterday in his report for more efficient government management. In the report he also mentioned the considerable progress made by the government in implementing a new framework for the management of departments and corporations.

Crown corporations which, under the Liberals, seemed impossible to control, are now able to account for their activities very effectively. The Auditor General also states that since regulatory review was initiated by this government, the project scrutiny process has been satisfactory.

Our government's appreciation of the work done by the Auditor General is reflected in measures that were a response to recommendations made in previous years and have led to considerable improvements in many departments. I am confident that this government will take into account the recommendations of the Auditor General as it has in the past, because it is the only open and responsible government citizens can really trust.

* * *

[*English*]

AUDITOR GENERAL'S REPORT

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I rise today to cite yet another example of government mismanagement as demonstrated by the Marine Sciences Research Institute in Mont Joli, Quebec, in the 1989 Auditor General's report.

The question is, when does a $17 million project cost $77 million? The answer is when the government does not carry out a needs analysis; number two, when the government does not take the lowest bid; number three, when the government offers tenders before a thorough cost analysis is complete; number four, when the government has not made provisions for easy access to the chosen site; number five, when the government fails to include the price of essential equipment for the facility like a $6 million computer; number six, when the government does not consider the latest environmental concerns and provides for only primary treatment of raw sewage; number seven, when the government presents a $17 million price tag knowing it is much more politically acceptable than $77 million; number eight and finally, the government does not learn from past mistakes and is not terribly intelligent.

* * *

THE ENVIRONMENT

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, last week's environment ministers' conference in Charlottetown produced some very concrete results which all members of this House should applaud.

With regard to the ongoing problem of PCB waste in Canada, the ministers came to the highly ethical conclusion that the destruction of Canadian produced PCBs should occur, whenever possible, within Canadian borders. The federal Minister of the Environment moreover reaffirmed that those PCBs which are under the federal government's jurisdiction will, without exception, not be exported out of Canada. That is welcome news.

The minister has also announced a commitment to ensure the cleanup of contaminated toxic waste sites throughout Canada under the "polluter pay principle" and has agreed to a $250 million cost sharing program to deal with high risk "orphaned" sites.

On the subject of air quality, the federal minister announced that the federal government will impose very stringent regulations, as stringent as those that will be in place in California, to control auto emissions within the next five years.

Canadians are crying out for a cleaner Canada. It is my belief that the recent meeting in Charlottetown has ushered in a period of improved co-operation between federal and provincial governments, the result of which will be a healthier and more responsible Canada.

* * *

SOCIAL PROGRAMS

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, a few weeks ago, the National Council of Welfare released its study of the effects of this government's plans to claw back family allowance and old age pensions. It states that in spite of the Prime Minister's protestations to the contrary, the clawback proposal signals an end to the longstanding Canadian principle of universality. A social program that delivers benefits to everyone and then collects them all back from some recipients is not universal.

[*Translation*]

According to the study by the National Council of Welfare, the government is undermining family allowances and old age pensions. These new measures, which are discriminatory and increasingly complex, are gradually threatening the universality of our social programs. Clearly, our children, our senior citizens, the disadvantaged and, in the next decade, middle income families, are the victims of this policy.

[*English*]

By eliminating universality of family allowances, reducing unemployment benefits and backtracking on child care promises this government is dismantling, in five years, a social policy framework that it took Canada a century to construct. Canadians are saying that it is enough.

ORAL QUESTION PERIOD

[*Translation*]

AUDITOR GENERAL'S REPORT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister and concerns ministerial use of the Challenger aircraft.

According to the Auditor General's report at page 138, the guidelines provide, and I quote:

> "These aircraft may never be used for party or constituency purposes, or for purposes connected with an election campaign".

Mr. Speaker, since the official guidelines established by the Prime Minister provide that government aircraft may never be used for purposes connected with an election campaign, could the Deputy Prime Minister provide us with a complete list of persons who used a government aircraft, at what cost and for what purpose, between October 1, 1988 and November 21, 1988? Who made use of these aircraft during the election campaign and for what purpose?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, further to the Auditor General's report tabled yesterday, I have instructed the Comptroller General of Canada to make this information available to all members of this House and to the Canadian public, including the number of times each minister, individually, used a government aircraft; second, the date, itinerary and names of passengers for each trip on which the aircraft was used, the reason for using the aircraft; and finally, the cost of each trip on board a government Challenger aircraft. All this information will now be available on a regular basis, and the Hon. member will have full access to that information.

• (1420)

Mr. Turner (Vancouver Quadra): Mr. Speaker, these documents are already available to the House and to the public. I will quote the relevant dates and expect to receive the information this afternoon.

[*English*]

I want to return to the Deputy Prime Minister because I want to ask about a rule set down by the Prime Minister of Canada and cited by the Auditor General. On page 138 of his report, the Auditor General states that ministers can take two types of flights, ministerial flights which are for non-departmental purposes and departmental flights which are for departmental purposes when a minister is carrying his or her duties as the departmental minister. The rule set down by the Prime Minister distinguishes these two kinds of flights.

The Auditor General goes on to say that 95 per cent of the flights requested by ministers were for non-departmental purposes. I can understand the occasional justification for some of these flights, but 95 per cent of the time?

Since it is a violation of the guidelines to use government jets for political, constituency or electoral purposes, will the Deputy Prime Minister explain the reason why 95 per cent of government jet flights were for non-departmental purposes?

Mr. de Cotret: Mr. Speaker, I would like to tell my hon. friend across the way that we have been very diligent in monitoring the use of government aircraft by this government. In the 12 month period ending in August 1984, government aircraft were used on 677 occasions. In the last period, with an estimate for the last two months of this period, they were used only 278 times. We reduced the use in a major way. We are ensuring that the use is made for government business.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): You will note, Mr. Speaker, that the minister has not answered the question. I want to suggest to the Deputy Prime Minister why 95 per cent are used for non-departmental purposes. Here is the situation. The Auditor General says that the allocated cost of a so-called ministerial flight is about eight times less than a so-called departmental flight. Therefore ministers can make their travel expenses appear much lower by claiming one type of flight rather than the other.

The Deputy Prime Minister has a choice. He can tell the House that either the ministers were using the jets for non-departmental or political purposes or they were deliberately falsifying their records to make their expenses appear low. Which is it? When is the government going to put into place a system where the people of Canada can get honest answers without having to go through this charade here in the House of Commons?

Mr. de Cotret: Mr. Speaker, I strongly disagree with the premise of the question that has been asked by my right hon. colleague. We have reduced the number of flights from 677 to an estimate of 278 this year on government business.

An Hon. Member: Answer the question.

Mr. de Cotret: I will answer the question. The right hon. member asked when the government is going to have an in depth review of all of this. The Auditor General has pointed out that he is concerned about the way costs are computed. He has expressed concerns about the reason why these flights are used.

On behalf of the government, I have asked the Comptroller General to make a complete study of this issue on an urgent basis within the next few months. I am undertaking today to table this study in this House and make the study available for any hon. colleague who may want to have the information. We will be forthcoming. We will give you the information.

Some Hon. Members: Hear, hear!

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister, and it concerns the government's refusal to provide travel receipts to the Auditor General. The November 1988 Treasury Board guidelines for ministers, and I have a copy in hand, state regarding travel receipts that these supporting documents should nevertheless be retained in ministers' offices for possible verification by, for example, the Auditor General of Canada.

Why is it that in the September 1989 version of the same document the words "Auditor General of Canada" have been removed? Why did the government doctor the rules after the Auditor General asked for the receipts?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, these are guidelines that are issued from time to time by Treasury Board. I must repeat that they date back to a tradition that was established in 1963 and followed by all successive governments since that time. They are changed periodically, but nonetheless they attempt to ensure that there is absolute accountability and openness on the part of government on these issues.

Yesterday I said that we would provide on a regular basis the total travel expenses of each minister in addition to the information that was being requested by the Auditor General in terms of the use of government aircraft. I believe that that is in keeping with our position to be accountable and very open about how this government conducts its business.

Mr. Boudria: Mr. Speaker, with respect, that is not what I asked. I asked why the rules had been changed in September of 1989 immediately before the Auditor General's report was tabled in the House of Commons, and I did not get an answer.

[*Translation*]

Mr. Speaker, yesterday the President of the Treasury Board explained his refusal to provide the Auditor General with certain information by saying that it would compromise Canada's security if he revealed who had a meal or a drink with a minister.

I would like to know why it is such a secret to know with whom ministers have a drink. Since when is caviar a national secret?

Mr. de Cotret: Mr. Speaker, once again, my colleague is framing his question in a way that is not wholly justified.

My answer yesterday on receipts is quite clear. It is understood that a government minister might have to meet with a provincial colleague or a union leader. He might have to meet people from abroad, representatives of other states, always while conducting government business.

I think that opposition members can well understand that in such cases, it is important to maintain confidentiality. It is government business. We are prepared to provide all information on ministers' travel expenses in the way I stated yesterday. I think that will meet the objectives set forth by my hon. colleagues.

[*English*]

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, my question is directed to the Minister of Finance. Last year's Auditor General's report referred to a half a billion dollars in lost revenues to the government because taxes were written off by this government. This year's report which just came out the other day cites another $350 million per year loss due to excise tax loopholes. Will the Minister of Finance give this House an assurance that before he collects one extra dollar from ordinary and honest Canadian taxpayers, he will close these loopholes and collect taxes from people who are not paying their taxes?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I know the Hon. Member has been away from the House for quite understandable reasons, but I have responded to that question. We are closing that loophole. We are closing it through the goods and services tax.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): That is precisely the reason for the goods and services tax.

• (1430)

I want to refer him to the eleventh report of the finance committee which commented on the temporary measure that we brought in, in the last Parliament, to close this loophole and recommended that that proposal should not proceed.

The committee made some temporary recommendations as an interim solution pending the reform of the whole federal sales tax system. The federal sales tax system itself will close the very loophole to which the Auditor General is referring.

Mr. Waddell: Mr. Speaker, the minister should go out in the country. He would see that there is a tax revolt brewing out there. Canadians are fed up with this government's loopholes in taxation.

[*Translation*]

My second question is for the same minister. Last year, 91 people were found guilty of tax evasion, but none of them went to jail. Why does the government not enforce the current legislation strictly?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I am not quite sure I understand the thrust of the hon. member's question. We are applying the current tax laws with vigour. We are also closing loopholes with vigour. We have been closing loopholes now for five years.

In response to the questions on the administration of tax laws and the administration of justice relating to tax laws, possibly he should be addressing that question to my colleague, the Minister of National Revenue, or to the Minister of Justice.

Mr. Waddell: Mr. Speaker, perhaps I could put it another way to the minister. The minister cites the new GST. The Auditor General has said that under the present system there are loopholes, that there are ways that people are evading taxation, and that people are not being prosecuted duly for that.

I would like to ask the minister: Is it not a fact that with the more complicated goods and services tax we are going to have more leakages, more loopholes, and the honest Canadian taxpayer is going to have to pay more in personal income taxes and probably, ultimately, a raised GST? What have the Conservatives got against the honest taxpayer of Canada? Why are they pursuing this kind of policy?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, as the Minister of Finance noted, the hon. member has a right to be absent from the House of Commons for the purpose that he pursues, but at least when he is absent he should pay attention to what is going on here. That question was answered in detail.

Some Hon. Members: Oh, oh!

An Hon. Member: Where's Mulroney? We haven't seen him for three weeks.

An Hon. Member: Where's Valcourt?

Mr. Jelinek: They sound like a bunch of whining hyenas, Mr. Speaker.

Mr. Speaker: Perhaps the hon. minister could finish his reply.

Mr. Jelinek: I will, in a nutshell, repeat what I said yesterday. We agree with the Auditor General that the present federal sales tax system is a complex one and very hard to administer. Attempts have been made to change the present federal sales tax since 1951. It was not successfully changed to accommodate the Canadian public and the Canadian taxpayer, and particularly the small business community which is so dependent on having a government provide the competitive opportunities which we believe the GST will.

The hon. member should note as well that the Auditor General, in his report in this area, has made it very clear that processing of remittances is more efficient today than it was in 1984, that the backlog has cleared more quickly since 1984, that discovered unreported income is up by over 100 per cent since 1984, and that we have accelerated source reduction remittance since 1984.

The list of positive, impressive and productivity improvements goes on and on by the Auditor General. It is good news for business, it is good news for Canadians, and it is good news for taxpayers.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Deputy Prime Minister and concerns this government's attempt to stonewall the Auditor General in his request for information on ministerial use of VIP aircraft. We already know of many instances of questionable travel by ministers of this government. However we now fear that those reports were just the tip of the iceberg.

Now we have the itinerary of the Minister of National Defence, who used the government jet on July 6, at a cost of at least $35,000 to the taxpayers, to fly from Saskatoon to Ottawa, even though a regular commercial flight was available at the time.

My question is: How many more questionable trips have been taken by ministers of this government, and how many millions of dollars have been squandered by this government's abuse of its own government guidelines?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the very fact that we are willing to make all of this information available is I think a good indication that we are not using them badly.

My hon. colleague raised the question about access to information. In his report, on page 26, the Auditor General says that "access is not an ongoing problem for me or my office". He goes on to say:

> On 27 December 1985 the government, by Order in Council, directed that the Auditor General be given access to a wide range of cabinet documents. These include all the information I normally need to fulfil my audit responsibilities. The Order in Council has resulted in a constructive relationship between the government and my Office over the past four years.

> This good working relationship has, I believe, served Parliament, the people of Canada, and the government itself well. I am confident that it can continue.

Mr. MacDonald (Dartmouth): Mr. Speaker, it is not going to work in this government's defence today.

My supplementary question is again for the Deputy Prime Minister. The Treasury Board guidelines state, and I quote: "Executive aircraft should only be used in cases where commercial air service is not available or not suitable and when the purpose of the trip is to carry out ministerial or departmental business".

We know that this government is withholding information from the Auditor General which could well show an outright abuse of that public trust. My question is: How many more ministers of the Crown, of this government, would go the way of Suzanne Blais-Grenier if the Auditor General was allowed to do his job and was given all the information concerning government and ministers' expense accounts?

Mr. de Cotret: Mr. Speaker, we undertook yesterday in this House to give all members the number of times that each minister used a government aircraft, the date, the itinerary, the names of all passengers on each trip in a government aircraft, the reason for the use of a government aircraft, and the cost for the use of the government aircraft. That is more forthcoming than any government in the past.

If my hon. colleague has so many questions, maybe he would care to explain why in 1984 the previous government used aircraft on 677 occasions while we have brought that down to less than 300.

[*Translation*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the President of the Treasury Board. Yesterday, the Auditor General repeated something everyone knows:

> The Government would need less taxes if it were more efficient in collecting them and maximized its service delivery.

My question is as follows, Mr. Speaker: How can the Government justify ripping off taxpayers with its GST when it is not even able to administer the public finances properly?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me just remind the hon. member of the record of spending of this government.

We have held government spending growth and program spending to 3.6 per cent per annum since 1984–85. I remind the hon. member, for comparison, that that same number was 14 per cent in the previous four years. That is 5 per cent over the rate of inflation. Our record is half a per cent less than the rate of inflation. The overhead of government—light, heat, rent, wages, salaries—has gone down by 10 per cent from 1984–85 to 1988–89. Those are two very clear indications of how this government is controlling government spending.

Now compare us to the provinces. Our 3.6 per cent growth rate on program spending is as good as any of the provinces. The provinces range from 3.6 per cent up to 9.5 per cent for the province of Ontario. The average for the provinces is 6.4 per cent, nearly double the rate of increase of the federal government.

• (1440)

Clearly, if the hon. member is going to be honest with himself, he will say that we have a very good record of spending in this government.

Mr. Martin (LaSalle—Émard): Mr. Speaker, if the minister was to be honest with the Canadian people, he would do a heck of a lot better than that. This government is out of control. The fact is that the Auditor General has said that this government cannot manage the current bureaucracy. Now it is going to triple the number of tax collectors. The government has no right to increase taxes unless it can demonstrate that that is the cord of last resort.

Instead of trying to sell an unsaleable sales tax, why does the government not properly administer the nation's finances?

An Hon. Member: Hear, hear!

Mr. Speaker: Order. Perhaps the minister did not hear the question.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I did hear the hon. member use the words "out of control". Let me remind him while we are on the subject of the Auditor General that it was the Auditor General, about 10 years ago under a Liberal government, who said that the public purse was close to being right out of control.

If the hon. member wants to look through the statements that the Auditor General makes about the control of government spending, about the changes in attitude, they are in the Auditor General's report this year; they were in the Auditor General's report last year; and they will be in the Auditor General's report as long as this government is in office.

* * *

TRANSPORTATION OF DANGEROUS GOODS

Mr. John Brewin (Victoria): Mr. Speaker, my question is for the Deputy Prime Minister. PCBs and other dangerous cargoes are being carried on Canadian passenger ferries.

I put this government on notice through the Minister of Transport on September 15 by outlining the details of this situation, and all we have had is silence. Yesterday the Auditor General raked the government over the coals for its failure to put in place any program whatever to inspect shipments of dangerous cargoes on passenger ferries.

Will the government now, today in the House of Commons, end its silence on this issue and give the people of Canada a commitment that no more dangerous cargoes will be transported on passenger ferries until there is in place an adequate and proper system of inspection by the Department of Transport?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, the hon. member raises a very important point, one which the Auditor General also raised.

The transportation of dangerous goods in any mode is subject to very strict regulations under the Transportation of Dangerous Goods Act. Anyone who transports dangerous goods in defiance of the act is breaking the law. The Auditor General has noted that we do investigate and conduct inspections on ferries when specific concerns exist. We do random inspections as well.

The department will continue to work closely with the other jurisdictions in this area to improve upon the safe transportation of dangerous goods.

Mr. Brewin: Mr. Speaker, the minister's own officials and the Auditor General say that in fact they do not have the personnel to make the inspections she refers to, so the law is not being complied with.

* * *

EMERGENCY PREPAREDNESS

Mr. John Brewin (Victoria): Mr. Speaker, my supplementary question is again for the Deputy Prime Minister. Yesterday there was an earth tremor on Vancouver Island registering 3.1 on the Richter scale. As the minister knows, people in British Columbia are particularly concerned about the risks of earthquakes.

The Government of Japan spends $100 per capita on emergency preparedness. The city of San Francisco spends $19 per capita. This government spends 29 cents per capita on emergency preparedness.

The people of British Columbia want an honest, real assurance from this government that it understands the urgency of this matter. Will the minister stand up now and give us that assurance?

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, I thought the member might again be complimenting the progress that has been made by Emergency Preparedness Canada in its earthquake planning efforts.

I would like to advise the member that emergency preparedness planning starts at the local level and the provinces have the prime responsibility for planning for earthquakes. At the federal level our role is to ensure there is co-ordination of federal government agencies and federal government resources to fit in with the provinces' plans.

We have developed a plan at the federal level. We have designated the federal agencies and identified resources that could be called into play to assist with the province of British Columbia.

As well, we have provided the resources to the province of British Columbia to hire a full-time earthquake planner. We participated in the training of local municipal officials. We put on workshops.

In fact, if I could suggest it to my hon. colleague who represents the riding of Victoria, we would like to see

more activity emanating from the province of British Columbia because we respond to requests for training. If the people in his riding would like to get in touch with us, we would be glad to assist.

* * *

FINANCE

Mr. Al Horning (Okanagan Centre): Mr. Speaker, my question is for the Minister of Finance. For the last four weeks while the finance committee has been examining the goods and services tax, many of my constituents and the Kelowna Chamber of Commerce have been suggesting that they would prefer a lower rate of tax, even if it means including such items as food.

Recently the Conference Board recommended a proposal for a 7 per cent rate. Will the minister at least consider some of these suggestions to lower the rate?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have read about and heard from a number of people who are suggesting that we lower the rate, but let me comment for a minute on the Conference Board proposal.

It has come up with a proposal for a 7 per cent rate but in that proposal it has exaggerated the price effect, the difference between a 7 per cent and a 9 per cent rate rate. In addition to that, it has left a $3 billion gap in the reduction of the rate from 9 per cent to 7 per cent.

The Conference Board can ignore a $3 billion gap and let the deficit go up. I unfortunately cannot. This government must proceed with a package that does allow for the deficit to continue its downward track.

Now in response to the hon. member's question, I have said all along that this is a GST system, a package. It includes a GST credit or a rebate to low income Canadians. It includes a reduction in the middle income rate, a payment to small business for compliance cost and a housing rebate. If that rate is to come down many of those elements have to be reduced.

There is not a consensus, that I have heard, on ways of reducing that rate.

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the attention of members the presence in the gallery of two long time former members of the Parliament from South Africa, Helen Suzman and Dr. Alex Boraine.

Some Hon. Members: Hear, hear!

* * *

THE ENVIRONMENT

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, my question is for the Minister of the Environment. Last week in announcing a toxic waste clean-up program the minister indicated that Canadian toxic wastes would be incinerated in Canada. He said: "We will not destroy them in England. We will not destroy them on the planet Mars. We will have to destroy them here in Canada".

Despite this commitment the minister's department had just days earlier given permission to allow the shipment of contaminated wastes from Quebec to France for destruction.

Will the minister explain this inconsistency between his words and the actions of his department? Will he explain why he said earlier today that he does not have the power to prevent this shipment?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I would like the member to give the full quote on the expression of the government's policy on PCB exportation. What I said on behalf of the government was that there would be no more exports of federal PCBs to foreign countries for destruction and that we would try to reduce to the minimum the export of private PCBs to foreign countries for destruction.

• (1450)

Those PCBs which left Montreal last night are not federal PCBs; they are private PCBs.

Some Hon. Members: Oh, oh!

Mr. Bouchard (Lac-Saint-Jean): They left for France and the reason we have not stopped the shipment is that we had no legal reason to do so. I had extensive consultations with the government's legal experts, and I was advised that we have no legal grounds to act because the shipment complies completely with federal government requirements.

I will not expose this government to the embarrassment of having a decision quashed by the courts as was done in Quebec the other day. I have instructed the officials in my department to examine the possibilities of enacting new regulations to control completely the export of PCBs.

Mr. Anawak: Mr. Speaker, I find it strange that in an area of national interest there would be a difference between local PCBs and government PCBs.

Mr. Turner (Vancouver Quadra): They are privatizing PCBs.

Mr. Anawak: Sections 41 to 45 of the Canadian Environmental Protection Act give the minister the power to make regulations prohibiting the import or export of toxic wastes. Under Section 35 of that act the minister can issue an interim order in the absence of adequate regulations.

Will the minister undertake to issue such an order immediately?

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, of course there is a distinction to draw between the two regulations that have been quoted. The last one is in case of immediate danger. I was advised by the officials last night that there was no danger to invoke in this case.

The other regulation is a general one, and we are in the process of examining the possibility of enacting such a regulation in the next week. We will keep Parliament posted.

* * *

VIA RAIL

Mr. George Proud (Hillsborough): Mr. Speaker, in the absence of the Minister of Transport my question is for the Minister of State for Transport. The day the minister announced the VIA Rail cut-backs he stated that unionized employees laid off as a result of the VIA cut-backs, in his words, would receive a generous package.

Will the minister confirm that VIA officials are now claiming that because the cut-backs were a government decision and not a VIA decision employees will receive benefits based on 80 per cent of their salaries rather than on 100 per cent as specified in their collective agreements? Since the government caused this problem will it continue to go along with it or will it change it?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, as the Minister of Transport stated in the House, we have asked that VIA make sure that all employees are treated within the guidelines of the collective agreement and that they receive fair and just treatment.

Mr. Proud: Mr. Speaker, my supplementary question is for the same minister. Just recently a 53-year-old VIA employee from Halifax with over 20 years service called VIA's hot line in Montreal to ask about the early retirement plan. He was told that no such plan existed. At the same time VIA is offering non-unionized employees an early retirement plan.

Will the minister confirm that a double standard does exist, that non-unionized employees are offered a golden handshake while unionized employees are not even offered a hand? Why would the government support this unfair practice?

Mrs. Martin (Lincoln): Mr. Speaker, the VIA organization is now working on setting the plans for what it is going to be doing as it implements the changes in the next few months and the next few years. All consideration will be given to all employees whether they be union or non-union, and they will be treated fairly.

* * *

[*Translation*]

IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The minister claims that sending Haitians back to Haiti does not put them in any danger. She claims that she obtained this information from the United Nations and External Affairs.

The minister ought to know that neither the United Nations High Commission for Refugees nor Canada's representative at the United Nations are aware of such a report. Could the minister inform the House where she got this information? And could she table the information here in the House?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as I said Sunday, I have reviewed the issue of deportations to Haiti. Officials in my Department and at the Canadian Embassy in Port-au-Prince were consulted.

[*English*]

I should add that after some considerable thought I am satisfied that the situation in Haiti is not such that refused refugee claimants or other Haitians who had no legal status in Canada would be exposed to any particular danger.

I have read reports prepared by my officials and they include the results of discussions with External Affairs and with information from the IRB which routinely takes into account information from the United Nations.

Mr. Heap: Mr. Speaker, the minister would surely be aware that according to a recent report by Americas Watch members of popular organizations in Haiti who speak out against the government are being killed or beaten and the Avril regime refuses to speak out or to take action to defend them.

Therefore, in view of the uncertainty in Haiti, will the minister halt all further deportations of Haitians, review their cases and allow them to remain on humanitarian and compassionate grounds?

Mrs. McDougall: Mr. Speaker, let me point out that Haitians in Canada—and I know this is something that the hon. member has considerable sensitivity to, as I do myself—have access to protection through the Immigration and Refugee Board, if they can show that they are refugees within the sense of the definition contained in our immigration law which conforms to international practice and indeed is more sensitive.

The cases of persons who were found not to be refugees are reviewed by immigration officials who give consideration, once again routinely, to extenuating humanitarian and compassionate circumstances before removal is carried out.

* * *

[*Translation*]

FINANCE

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Finance. During the past two years, Québec's mining regions, including Abitibi—Témiscamingue, have gone through a period of great economic anxiety. Many junior mines have had to close their doors and wait for better days. Unemployment has risen considerably, and last week, the Government of Québec abolished the CNIL on mine exploration costs. Mr. Speaker, my question is as follows: Could the Minister confirm to the House today whether he is prepared to discuss with the provincial Finance Ministers the possibility of abolishing the CNIL on half the federal deduction granted on every purchase of flow-through shares?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I understand the Hon. Member's concern about flow-through shares.

[*English*]

I would like to say to him that an investment decision that one would make to invest in a flow-through share is partly based on the CNIL but also partly based on the outlook for equity markets, the outlook for the gold markets and so on.

I appreciate my colleague's ongoing concern in this matter. I will certainly take his representations very much into account if there are any changes being contemplated.

* * *

MINING

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister of State for Small Businesses and Tourism. In industrial Cape Breton the unemployment rate is twice the national average. This, coupled with the recent closure of CFB Sydney, Air Canada cut-backs, VIA Rail cut-backs, fish plant closing, ACOA cut-backs and Devco cut-backs, is crippling the economy of industrial Cape Breton.

Will the minister indicate to the House whether or not he is clearly committed to providing new moneys for insuring the longevity and viability of the Lingan mine, thereby enabling 1,200 workers to maintain their employment and to provide certainty to a community which is saddled with high unemployment?

• (1500)

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am very pleased to answer that question. I think the hon. member knows that no government has done more for Cape Breton than this government. From the beginning of 1984 until the present we have put into Devco for operating and capital expenses over $540 million, and that does not include any other programs we have been actively pursuing in Cape Breton.

I would like to tell the hon. member that I have been in touch with the corporation and the union. We are discussing corporate structuring for the future to make sure that Devco can continue as a commercial and viable corporation. We know that the Lingan colliery is an important part of that.

Mr. Dingwall: Mr. Speaker, my supplementary question is for the same minister. In listening to him, even his own minister responsible for ACOA had to laugh at that comment, that no government has done more for Cape Breton than this government. Even he had to laugh.

Mr. MacKay: That is misleading the House.

Mr. Dingwall: My question is this. The Premier of Nova Scotia has stated, and I quote: "We already have made it very clear to the federal government that there is no possible way that that mine can close".

Will the minister inform the House as to whether or not the respective governments, provincial and federal, have entered negotiations in order to provide moneys under a special ERDA to ensure that that mine does not close? Is the federal minister responsible clearly committed to maintaining the operations of the Lingan mine and those 1,200 jobs? Yes or no?

Mr. Hockin: Mr. Speaker, the hon. member knows that this government is committed to the long-term future of Devco as a commercial operation. The long-term future of Devco as a commercial operation means that it has to be operated as a commercial operation. It must, in fact, cut its cloth to the funds available.

I have said to the hon. member, to the House and to Devco that we are there to help. We have put in place a $32 million reference plan for it this year. We will continue with something similar in the future. That means Devco can continue. That means the Lingan colliery could very well have a future.

Mr. Speaker: The hon. member for Lambton—Middlesex will have a single question, followed by the hon. member for Nickel Belt with a single question.

FREE TRADE

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, before the free trade agreement became law the Minister of State for Grains and Oilseeds spoke about the Canadian Wheat Board being able to sell into the American market without fear once the free trade agreement became law. The free trade agreement is now law. Yet our Canadian Durum wheat producers are being subjected to a threat of countervail duty.

Will the minister outline what action, if any, he is taking to defend Canadian interests, since the free trade agreement has failed to protect our producers. Or are your hands tied by the U.S. omnibus trade bill which obviously supersedes the free trade agreement?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I am very happy to report to the member that largely as a result of free trade the Wheat Board is selling record amounts of wheat in the United States.

Some Hon. Members: Hear, hear!

Mr. Mayer: In fact, if I remember rightly—and think about this—the United States regularly exports 30 million the United States was our fourth or fifth largest customer as far as milling wheat is concerned. It looks like we are going to sell it a record amount of Durum this year.

So, as a result of the free trade agreement, we have better and more secure access. What the member is talking about is a threat of countervail. In the meantime we are selling wheat to that market in record amounts because we have a quality product, and it is priced competitively.

* * *

SCIENCE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of State for Science and Technology. As the minister is well aware, Canada has an opportunity to take a leadership role in research involving sub-atomic particles. For us to do that it is essential therefore for the Neutrino observatory to be located in the Creighton mine. To do that, the Neutrino now needs $12 million over the next four years.

Can the minister give an assurance to this House and to the scientific community in this country that the government will come up with the $12 million in funding which, of course, is hinged on other scientists contributing their $10 million? The effective date is November 15. Can the minister give some assurance to the research community in this country that we can get the Neutrino funding?

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, I thank the member for his question. It is one that has been repeated to me by the member for Timiskaming many times.

The situation at the moment is that the Natural Sciences and Engineering Research Council has $15 million on the table for the project. We have a commitment from the United States, which is not entirely firm yet. We have a commitment from the United Kingdom. We have $7.6 million from the Province of Ontario. There is still some to go. I am meeting with the president of NSERC at five o'clock today to see where that extra funding can be obtained, and if we can meet the deadline.

* * *

POINTS OF ORDER

PUBLIC ACCOUNTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, the Public Accounts of Canada in listing the indemnities to members has made a mistake in listing me, which if it were true would be remarkable, but it is not true, as having received $80,203 last year rather than $58,725 in indemnities. Public Accounts lists me as having received $26,655 in expense allowances rather than $19,525 and lists me as having received $30,927 in travel expenses rather than $22,267. All together, Mr. Speaker, Public Accounts lists me as having received $137,785 rather than $100,517.

Since I have not received the larger amounts listed, I wish to have the record show what were the accurate accounts. These are the figures that I have from the comptroller.

Mr. Speaker: I thank the hon. member.

The Chair recognizes the hon. member for Port Moody—Coquitlam on a point of order.

MEMBERS OF PARLIAMENT

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I rise on a point of order. The Minister of Finance made reference to my absence from the House. He knows that is against the rules of the House. Perhaps it was corrected by a subsequent minister. I cannot make reference to where he is now. I would just tell him this that I did not take one of those government jets around the country, that is all.

Mr. Speaker: I certainly shall take notice of the hon. member's comments. I know that he will discuss his complaint with some of his colleagues in the better interests of decorum in this place.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to eight petitions.

[*Editor's note: See today's Votes and Proceedings*]

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ORDER IN COUNCIL

TABLING OF APPOINTMENTS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

While I am on my feet, I move:

That the House do now proceed to Orders of the Day.

Mr. Speaker: Is the hon. member from Victoria rising on a point of order?

Mr. Brewin: Mr. Speaker, I realize that we generally raise a point of order when the government has moved such a motion. Correct me if I am wrong, but the government has moved a motion which all it manages to do is cut off petitions—well, there are a few other items but presumably there is nothing else coming up under that—but the rights of the citizens of this country to bring petitions are being cut off. I would ask you to rule it out of order.

Mr. Speaker: I appreciate the hon. member's intervention. The hon. Minister of Justice's motion is completely in order.

I might also say with respect to petitions that there are two ways of presenting a petition. One is by filing them with the Table. They go to the government and they have to be answered within a certain period of time. The second is that a member can stand.

• (1510)

I recognize the inconvenience that it causes to members on both sides when one side or the other moves to eliminate, at least for one day, some aspects of Routine Proceedings. But I must say that the hon. Minister of Justice's motion is completely in order, and I shall proceed with it.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 92*)

YEAS

Members

Anderson
Attewell
Bertrand
Blackburn (Jonquière)
Blenkarn
Boyer
Browes
Cardiff
Chadwick
Chartrand
Cole
Cook
Couture
DeBlois
Desjardins
Dorin
Edwards
Feltham
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Halliday
Hawkes
Hogue
Horner
James
Joncas
Kempling
Kindy
Landry
Layton
Lewis
Lopez
MacKay
Masse
Mazankowski
McDermid
Monteith
Nicholson
Oberle
Plamondon
Porter
Redway
Reimer
Robitaille
Schneider
Siddon
Sparrow
Tardif
Tremblay (Rosemont)
Venne
Vien
Weiner
Wilbee
Worthy—108
Atkinson
Beatty
Bjornson
Blais
Bouchard (Lac-Saint-Jean)
Brightwell
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Collins
Côté
Crosby (Halifax West)
de Cotret
Domm
Duplessis
Fee
Friesen
Gibeau
Gustafson
Harvey (Chicoutimi)
Hockin
Holtmann
Horning
Johnson
Jourdenais
Kilgour (Edmonton Southeast)
Koury
Langlois
Leblanc (Longueuil)
Littlechild
MacDougall (Timiskaming)
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
Moore
Nowlan
Paproski
Plourde
Pronovost
Reid
Richardson
St-Julien
Shields
Soetens
Stevenson
Thompson
Turner (Halton—Peel)
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard

NAYS

Members

Allmand
Anawak
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Benjamin
Blondin
Brewin
Callbeck
Catterall
Comuzzi
Ferguson
Fontana
Gauthier
Guarnieri
Harvey (Edmonton East)
Hopkins
Jordan
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
Lee
MacDonald (Dartmouth)
MacLellan
Marchi
Milliken
Nault
Ouellet
Pickard
Rideout
Robichaud
Skelly (Comox—Alberni)
Stupich
Vanclief
Wood
Young (Beaches—Woodbine)—68
Althouse
Angus
Assad
Bellemare
Black
Boudria
Butland
Campbell (South West Nova)
Clancy
Dionne
Fisher
Foster
Grey (Beaver River)
Harvard
Heap
Hovdebo
Keyes
Kristiansen
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLaren
Manley
McGuire
Mills
Nunziata
Pagtakhan
Proud
Riis
Simmons
Stewart
Taylor
Volpe Wappel
Young (Gloucester)

• (1550)

Mr. Deputy Speaker: I declare the motion carried. Orders of the day.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

The House resumed from Monday, October 16 consideration of Bill C–21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, as reported (with amendments) from a legislative committee; and Motions Nos. 4, 5, 6, 7, 8, 10, 11, 12, 13, and 14.

Mr. Hopkins: Mr. Speaker, I rise on a point of order. In view of the procedure that has taken place in the House the last few minutes, I wonder if I could have the unanimous consent of the House to revert to presentation of committee reports. I have a report from the public accounts committee to present to the House today.

Mr. Deputy Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC ACCOUNTS

THIRD REPORT OF STANDING COMMITTEE

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I want to thank the members of the House for their co–operation.

I have the honour to present, in both official languages, the third report of the Standing Committee on Public Accounts.

I wish to say a few words in presenting this report, Mr. Speaker. The public accounts committee today tables a report which addresses significant concerns in the areas of government food inspection, pesticide regulation and controls against the spread of plant and animal diseases. Canadians continue to have confidence in the safety of the food supply. In order to maintain this confidence, as the audit considered by the committee pointed out, there is a need to assess risks to human health and allocate resources to the areas of highest risk.

While the Department of Agriculture which is responsible for the food production and inspection branch has responded positively to the audit, the committee is calling upon the Auditor General to assess the department's progress in this follow–up audit. In particular, the committee was not satisfied with the low quality of information presented to Parliament in the department's annual spending estimates, Part III of the estimates documents, and has recommended improvements in this regard.

The committee also recommends amendments to the import control provisions of legislation and regulations to help improve procedures that guard against the spread of animal and plant diseases. Finally, concerns were expressed about improved training of food inspectors and better management of labour relations in the department.

[*Editor's Note: See Today's Votes and Proceedings.*]

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ADVANCE PAYMENTS FOR CROPS ACT

NOTICE OF MOTION PURSUANT TO S. O. 57

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I rise on a point of order. I give notice that at the next sitting of the House, immediately before the order of the day is called for resuming debate on the motion for second reading and reference to a legislative committee of Bill C–36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, and on any amendments proposed thereto, I will move that the debate shall not be further adjourned.

Mr. Angus: Mr. Speaker, I rise on a point of order. Given the spirit that this House showed a few moments ago in allowing the hon. member to revert to tabling of reports, I would ask unanimous consent that we be allowed to revert to the tabling of petitions so that members can represent their constituents in the way that the House rules were designed.

Mr. Deputy Speaker: The Hon. Minister of Justice, on the same point of order.

Mr. Lewis: As the Speaker so aptly pointed out earlier today, there are two ways to file petitions. One takes up a lot time in the House, and another is through what is called the back door and at the table. I suggest to my hon. friend that he avail himself of that opportunity and do so accordingly.

Mr. Deputy Speaker: The hon. member for Regina—Lumsden, on a point of order.

Mr. Benjamin: Since we are still on Routine Proceedings, I move:

That this House do now adjourn.

Mr. Deputy Speaker: I must rule that the motion is out of order and I must also rule, be it late, that there is no unanimous consent for the member for Thunder Bay—Atikokan to revert to petitions. The hon. member for Kamloops.

Mr. Riis: Mr. Speaker, perhaps I could seek clarification from Your Honour. We have now unanimously reverted back to presenting reports from committees. If we have reverted back to that point in Routine Proceedings, presumably that is where we are. Would you indicate, Mr. Speaker, whether now we will be proceeding with Routine Proceedings from that point?

Mr. Deputy Speaker: The way that I ruled gave the authorization to the member for Renfrew—Nipissing—Pembroke to bring in his report by unanimous consent. We go back to Orders of the Day. Orders of the Day had been called when we did that, so we will resume Orders of the Day.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, as reported (with amendments) from a legislative committee; and Motions Nos. 4, 5, 6, 7, 8, 10, 11, 12, 13 and 14.

Government Orders

SPEAKER'S RULING

Mr. Deputy Speaker: The Chair has reviewed the arguments of the hon. member for Notre-Dame-de-Grâce with respect to Bill C-21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act to read in part as follows, and has decided that motions Nos. 21, 22 and 23 will remain grouped for debate, but voted on upon as follows: (a) A vote on Motion 21 will be applied to Motion No. 23; and (b) Motion No. 22 will be voted on separately.

I thank the hon. member for Notre-Dame-de-Grâce for his comments.

MEASURE TO AMEND

Mr. Deputy Speaker: Resuming debate.

Some Hon. Members: Question.

Mr. Deputy Speaker: I remind members, as we are about to vote on the first set of motions, that a vote on Motion No. 4 applies to Motion No. 5, and an affirmative vote on Motion No. 6 obviates the need for a vote on Motions Nos. 8 and 11. A negative vote on Motion No. 6 necessitates a vote on Motions Nos. 8 and 11. A vote on Motion No. 7 applies to Motion No. 10. Motions Nos. 12, 13 and 14 will be voted on separately. Is that clear for everybody?

Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 4 standing in the name of the hon. member for Saskatoon—Dundurn. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 76(8) the recorded division on the motion stands deferred.

• (1600)

The next question is on Motion No. 6 standing in the name of the Minister of Employment and Immigration.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 76(8) the recorded division stands deferred.

The vote on Motion No. 7 will apply to Motion No. 10. The question is on Motion No. 7 standing in the name of the hon. member for Notre-Dame-de-Grâce.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 76(8) the recorded division on the motion stands deferred. The last three motions of this grouping, Motion Nos. 12, 13 and 14 will be voted on separately.

The next question is on Motion No. 12. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays clearly have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 76(8) the recorded division on the motion stands deferred.

The next question is on Motion No. 13 standing in the name of the Hon. Member for Notre-Dame-de-Grâce.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 76(8) the recorded division on the motion stands deferred.

The next question is on Motion No. 14, standing in the name of the hon. member for Saskatoon-Dundurn. Is it the pleasure of the House to adopt that motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 76(8) the recorded division on the motion stands deferred.

The next grouping is as follows: Motions No. 15, 16 and 18 are grouped for debate and a vote on Motion No. 15 applied to Motions Nos. 16 and 18.

Mr. Ron Fisher (Saskatoon—Dundurn) moved:

Motion No. 15

That Bill C-21 be amended in Clause 11 by adding immediately after line 7 at page 10 the following:

"(3) for the purpose of this section, a major claimant shall be defined as being a claimant having ten or more weeks of employment during the qualifying period."

Hon. Warren Allmand (Notre-Dame-de-Grâce) moved:

Motion No. 16

That Bill C-21 be amended in Clause 12 by striking out line 13 at page 10 and substituting the following therefor:

"able to a claimant to".

Motion No. 18

That Bill C-21 be amended in Clause 14 by striking out line 10 at page 11 and substituting the following therefor:

"able to a claimant to".

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, as I rise to speak on Bill C-21 today, I must admit that it does not give me very much pleasure.

This bill, which will totally revamp the unemployment insurance program, is nothing short of a policy to shut down rural Canada. It is nothing short of a policy to shut down the small community in Canada. It is nothing short of the rape of Canada's natural resources by this government with its trade policies.

I want to say today that in some rural communities there is only one industry. We have areas in this country today where the government has closed down that one industry. It sold the softwood lumber industry down the drain when it is the only employer in town. It is really brave of this government to come out and say that it will provide more mobility funds to move people to new places of employment.

I just wish that all cabinet ministers who gave their consent to this legislation were put in a position where they had to sell their homes, move out to the cities or to another area of the country to find a new job. They do not know what they are perpetrating upon small community Canada, upon people who have lived in their homes for a lifetime, who will have lesser time allotted for unemployment insurance. These people will have to move out. Suppose they have to move to Toronto to find a job? Who will put up with the expenses of living in the city of Toronto today after moving from some small community in northern Ontario or eastern Ontario?

What are you perpetrating upon these people? The government is already complaining about the high cost of living in Toronto but it is ready to ram more people in there, put more pavement over the land of this country. This will go a long way to developing this nation within 100 miles of the American border. The government is against regional development in this country. Without those support programs the regions of this country will not be able to exist.

The changes to unemployment insurance will adversely affect the rural Canadian economy because local industries and firms are often set up to employ seasonal workers long enough so that they can qualify for UI benefits. These citizens need a sound UI system to see them through the slow period. If they cannot pay the bills, the local grocery store will not benefit, the local gas station will not benefit. Nobody is going to benefit in that community.

In answer to this problem of rural communities where you have only one industry, the government has chosen to increase mobility funds. It will help workers move to areas where there are employment opportunities rather than create a comprehensive regional development policy. You are uprooting these people from their homes. You are doing it with the passage of this bill.

Unemployment insurance benefits not only help the unemployed pay for their rent, their groceries and other necessities but also sustain the economic life of the very community by providing essential purchasing power for business activity.

Furthermore, this government has moved away from its financial responsibility for the unemployed in this country. That is a direct responsibility of the federal government as a result of amendments to our constitution back in 1940. It is throwing the whole weight of the expenses of future programs for the unemployed on the individual worker who has to pay an increased fee toward the unemployment insurance fund.

The employer, whether small business or big business, whether a farmer employing a person, must pay a larger fee to the unemployment insurance fund. Why? Because the federal government is retreating like a coward from its financial responsibility to labour in this nation. The government should not move on its reform of the unemployment insurance system, if ever, until the boundaries for labour force economic regions have been redrawn.

• (1610)

As it stands now, some rural regions with high unemployment rates are grouped with metropolitan areas with lower rates of employment.

My own riding is a case in point. The upper Ottawa valley has always been averaged in with the city of Ottawa and with more affluent communities to the south. As a result, even though our unemployment rate is high at many times during the year, because we are averaged in with the lower unemployment rates in more prosperous communities it decreases our level of unemployment and we do not get the true picture. It affects the number of weeks that people have to work to qualify for unemployment insurance, and it also affects the number of weeks that they will be able to collect unemployment insurance.

In my own riding, I have a very good example of what happens on these famous boundary lines. I have a boundary line between Renfrew County and the District of Nipissing that runs right through the bush. If persons live on the south side of that boundary in Renfrew County, they have a longer waiting period because they are averaged in with Ottawa on the unemployment rate standards. Someone who lives just beyond the border to the north can qualify with a shorter number of weeks of employment.

We have a submission in from the upper valley that the boundary line for the new labour force economic region be Highway No. 7 up to Carleton Place and then Highway No. 15 from there on through to the town of Arnprior.

Move us up into northern Ontario where we belong instead of leaving us in an area where there is relatively good employment at times that affects every worker and every resident in an area where the average unemployment level is reduced because of the more affluent communities with which we are averaged to get the unemployment rate.

It is wrong to bring this bill in before those labour force economic regions are established. The government should understand that, but it does not care. It has been told this time and time again, but it is so anxious to get this in place it does not want the labour force economic region boundaries to interfere with their future plans.

I can only say in the 30 seconds I have left that the concept of government involvement in social assistance type programs or in regional development programs that are dependent on income maintenance schemes is now a thing of the past. Regional development is a thing of the past. Not only have we ceased to have governments assist regions in this country to grow, but by the passage of this bill the government is making things so difficult for the small, average Canadian in this country that he is eventually going to have to move out of those communities.

The government is depopulating rural Canada and sending those people to the cities. It is like standing up in the streets of the small communities of Canada and saying: "Will the last one out please turn out the lights?" This is what the government is perpetrating on small communities in Canada.

This bill is anti-employee as opposed to just anti-labour because it affects everybody who pays unemployment insurance regardless of their category. It is going to produce more urban areas in this country; more pavement and less development in the regions of the nation.

It is not only the revisions to this bill. It is the cuts in VIA Rail. It is the softwood lumber issue where the government has no sense of moving on the issue at all. As a result we are going to have rural Canada shut down.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise on the amendments that have been proposed to the bill to amend the Unemployment Insurance Act to suggest that there is very, very good reason and good cause for these amendments.

Unemployment insurance legislation presently says people cannot get access to special benefits unless they have a major attachment to the workforce. Unemployment insurance defines major attachment as someone who has 20 or more weeks of insurable earnings. That means someone who has less than 20 weeks of work cannot get pregnancy benefits or sick benefits. Surely, that is an unfair assumption on the part of the act and an unfair way for us to proceed. We do not think that is right and we very strongly feel that there are different levels of unemployment in Canada by region, by nature of industry and by gender. So we have put forward and support this amendment on the basis that it does, indeed, reflect the varying levels of work in this country, the varying circumstances of those who are attached to the workforce and would more fairly and clearly reflect the needs of Canadians.

For example, the legislation does not recognize that in this case there is less work in Newfoundland than there is in Toronto. There is less work in Mission than there is in Vancouver.

We think that the present provision clearly discriminates against women in this legislation because only women, for example, face the provision regarding pregnancy.

I think it is important that while we debate this legislation, we keep clearly in mind the circumstances that women have faced over the years in becoming part of the workforce and the circumstances that still today predicate against them being full and active participants in the workforce. We receive work, we get work, but still we face barriers once we reach the workplace, even in this Chamber.

Particularly I want to address the kinds of barriers that women face in the workforce, like unemployment insurance provisions, and like other provisions in the workforce that make it very, very difficult for women to be full participants.

This legislation creates a situation where increasing eligibility periods and maintaining the 20 week eligibility period for special claims like pregnancy leave make it increasingly difficult for women to not only receive the benefits, but to also make it difficult for women as re-entrants into the workplace. What we would be doing with the government's provision in this legislation is depriving women in particular but, in fact, disabled workers and other workers who have barriers in front of them from keeping any employment benefit under the act.

I have said that women in particular would be adversely affected by restricting access to benefits under this act. But since 1985, 35 per cent of unemployed women were new and re-entrant participants in the workforce compared to 12 per cent of unemployable men. So, as you can see, Mr. Speaker, this particular clause in the amendments to the act would, in fact, continue to make it difficult for women because women would be more affected by this clause.

I would like the House to consider the fairness about inequity in access to unemployment insurance. Denying these benefits to "minor attachment claimants", in fact, perpetuates low attachment to the workforce by penalizing those people when they are out of the workforce by necessity. Women, youths, re-entrants to the workforce are especially hard hit and they have, for the most part, the shortest work records. If we want to encourage greater participation, why would we distinguish between the types of claimants? Why not make it easier for people to remain attached to the workforce?

• (1620)

It is interesting to note that the all-party committee during the last Parliament, some of whose members more recently served on the legislative committee on Bill C-21, recommended unanimously that special entrance requirements for these benefits be eliminated. They also recommended that the two week waiting period for maternity and adoption benefits be eliminated. I would like to know where those members from the governing side of the House are today who are standing in support of the government's motion but not supporting the amendments that we brought before the committee.

The amendments on this talk about one kind of discrimination. I would like to mention another kind of discrimination. The hon. member for Burlington yesterday talked about people appearing before the committee tabling briefs. I am not sure of his exact words, but the inference was that they were copies of the Canadian Labour Congress's brief. I would like to talk about the kinds of attitudes that permeate this whole piece of legislation. I would like to read a letter that was addressed to the chair of the legislative committee on Bill C-21. It talks about the kind of treatment a group of people received when they came before the committee. The letter states:

On September 28, 1989, myself and two other representatives of the National Union of Provincial Government Employees made a presentation to your committee on proposed changes to the Unemployment Insurance Act. Having presented dozens of briefs to federal and provincial legislative committees over the past 20 years, I was quite shocked by the treatment our delegation received at the hands of certain government members of Parliament.

As you may recall during our presentation the hon. member from Burlington whispered loudly to his neighbour, slouched in his chair and made repeated gestures indicating his disapproval of the National Union's views of Bill C–21.

Two other Tory MPs whispered to each other so loudly that I had to interrupt them and ask them if there was another meeting going on. A Conservative staff person—not a member of the committee— made a loud negative comment to a committee member about the NUPGE brief prompting you to call for order.

During the question period, the MP from South Shore asked hostile questions then attempted to direct the answer and did not let me finish my response. At one point that member told me I was "out to lunch", at another point, he made a sarcastic comment about the presentation and the response to it from opposition members of the committee.

I have always believed that the purpose of legislative committee hearings was to give interested groups and individuals the opportunity to present their views on legislation introduced in the House of Commons. It was quite clear from their performance that certain committee members had no interest in our views and were determined to act accordingly.

As far as we are concerned the behaviour of the aforementioned MPs was rude and inappropriate. It was particularly inappropriate since those very members of Parliament have among their constituents members of our union and their families; do they not have a responsibility to hear what their own constituents have to say? I am confident that you, as chairman of the committee, do not condone this type of behaviour and will indicate your disapproval to your Conservative colleagues.

Democracy is too fragile and too important a process to be abused in this fashion. Let us hope that this type of incident does not happen again.

Sincerely yours,

John Fryer, National President, National Union of Provincial Government Employees.

That letter and the kinds of amendments included in Bill C–21 are the very reason that this side of the House is absolutely shocked and dismayed at the attitude of the government in terms of our presenting very thoughtful, reasoned amendments to this legislation. We would urge the government side of the House to give them serious consideration.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, it is a privilege to be able to speak, albeit briefly considering the guillotine that has been imposed on the debate on this legislation by the government, on some of the amendments that have been proposed to Bill C–21. I am speaking to begin with of those amendments having to do with minor and major attachment claimants.

I would just like to raise a few points having to do with the reason we in our party believe that the distinction between minor and major attachment claimants is *passé*. It is a breach in equity and it is about time that that distinction be abolished in the unemployment insurance program.

I would like to say why we feel that way and why these amendments, which would add a little bit of equity into this flawed piece of legislation, ought to be introduced.

First, one of the few aspects of this legislation which had any merit dealt with what the government called making UI fair. In most cases it makes UI much less fair, but the improvements to parental benefits and the making of special benefits more flexible were a movement toward fairness.

As well, the provisions which make it possible for persons 65 years of age and over to qualify for, to contribute to, and to receive UI benefits were measures that had been called for three or four years ago by the Equality For All task force in order to make the unemployment insurance program compatible with the quality provisions of the charter.

The government, in taking four years to implement those benefits, did not do itself credit, but at least we finally see the government go some way toward rectifying that inequity.

The distinction between minor and major attachment claimants, as my colleague in the NDP mentioned, has the effect of requiring claimants for special benefits, such as maternity pregnancy benefits or parental benefits, to have 20 weeks of insurable earnings before being admitted under the program. In other instances such as regular benefits, the requirement depends on the local unemployment rate. This is really a distinction that ought not to exist. It is a flaw in the program. It is a breach of fairness.

What it really says is that women who become pregnant somehow have chosen to become pregnant while a member of the labour force in order to draw benefits while they are unemployed and on maternity benefits. That is the kind of stain which the major attachment requirement places upon any claimant who applies for parental or pregnancy benefits. That is the stain that has been placed on women in the past in unemployment insurance regulations.

I draw to your attention for historical purposes one example which used to be called the "magic ten" requirement, that required a women to be in the labour force at least ten weeks from the moment of conception to the time at which she drew her benefits. This was clearly an example of a society telling women they have no right in the workforce because they might become pregnant and we might have to pay them maternity benefits, that they tried to get into the workforce so that they could draw benefits from the state. The major and minor attachment distinction is one more example of that redundant, archaic and anachronistic feature in the unemployment insurance program which, if the government had been serious about making it fair, would have eliminated.

We are giving the government one chance to do that with these amendments. I hope we can get the government side to support these amendments and remove that distinction.

• (1630)

I would like to speak to the broader elements of this bill in the few moments that I have remaining. One of the things about unemployment insurance, when we talk about principles for modifying that law, is the whole principle of equity. One of the features which the government has trumpeted very loudly in terms of how this legislation will better affect the regions of this country which face high unemployment rates due largely to the seasonality of their industries is the repeater provision. The way in which the government has tried to pull the wool over our eyes with its abandonment of the repeater provision is really an example of how Canadians are being sold a bill of goods with this unemployment insurance bill.

The repeater provision, for those who are not familiar with the unemployment insurance program, is that provision which said that a person who had been receiving benefits during the qualifying period for which he was making a subsequent claim would require extra weeks of work in order to be eligible for benefits. The number of weeks was 16 and, depending upon the unemployment rate, even higher.

The government has ended repeater provisions and wants us to applaud it for having done so. Rather than applauding it, we should condemn the government for being so cynical in trying to tell us that that is an improvement in the program which will make unemployment benefits easier for workers in seasonal industries. Quite clearly it is not the case because while the government was taking away the repeater clause, it was raising the minimum entrance requirements for everybody to a point at which in almost every economic region of the country, with the exception of maybe three or four out of 48, the repeater provisions are completely nullified by the increase in the entrance requirement.

This winter those in regions of Nova Scotia or in New Brunswick will no longer have to face the repeater provision. What they will be faced with—and there will be many more people who will fall into this category—will be higher entrance requirements of four to six weeks. Many of them will arrive at the doorstep of the employment centre and ask to be qualified for unemployment benefits as they have in the past and will be told: "Sorry, we cannot help you, the government introduced a new bill. It means that you now need four to five more weeks of work in order to qualify for UI, so sorry, you will have to go somewhere other than your local welfare office."

The government has been rather amazed that its changes to UI have gone through with such little resistance. I would like to forewarn members opposite that they are just about to start to see the resistance that the Canadians are going to convey to them once these measures are put in place.

Every member opposite whose constituents are suddenly going to find that they must require two, three, four more weeks or not be qualified for benefits, will be on the members' doorsteps condemning the government's legislation which brought this about. We on this side of the House are not going to make it any easier.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, the unemployment insurance changes are before us now. In this instance, we are talking increasing eligibility periods and maintaining the 20–week eligibility period for special claimants and new and re–entrants, which seems to be designed to deprive those who have the most difficulty in obtaining and keeping employment of any benefit from the act. The whole thrust would seem to be that people who are unemployed are unemployed either because they want to be, because they want to get paid for not working—

Mr. Fisher: Punish the victims.

Mr. Stupich: As my colleague says, the government wants to punish the people who are the victims of the system itself. The people who are unemployed because they do not want to be are being punished and persuaded somehow or other that they have to keep on working or go to work in the first place. It is very prevalent in periods of high unemployment to say that those who are unemployed are unemployed because they are too lazy to work. I am sure we have all heard that. There is nothing new about that idea, and it comes up more and more in times of high unemployment.

It may be hard for some people to remember, but the unemployment insurance legislation itself came into effect in 1941. There were unemployed people even before we had legislation trying to push people into going to work, whether they wanted to or not. Some people say the unemployment insurance legislation keeps people unemployed because it is there. It is a safety net. They do not want to bother working. Even before there was that legislation, there were unemployed in the country.

During the Great Depression, we had as many as 20 per cent unemployed. Of course, the popular idea then was if we could simply export all of the unemployed from Canada we would be in great shape because everybody else would be working. It sounds silly, it is crazy. Nevertheless that idea was talked about and promoted, those people are too lazy to work, get them out of the country, and leave in the country only those who do have the ambition to work. Then we would have no problem. There would be nobody unemployed. Mr. Speaker, you and I know, it just does not work that way.

The legislation came in because there was very high unemployment prior to the war. The 20 per cent unemployment rate was one reason for bringing legislation in. It came in during the war when, strange to say, there was not that unwillingness to work. People did not take advantage of the unemployment legislation during the war because there were job opportunities, because we had an economic system that put everybody to work. There was a national effort. Unfortunately, it was a wasted accumulating munitions, which to a large extent were dumped in the Atlantic as though we were trying to fill up that hole. We had a million people in the armed services. Still we were able to produce everything we could consume and there was no unemployment.

That national effort was to fight a war and I was part of it. I was in the armed services at the time. Whatever the effort was, we were able to gear our economic and political systems to work together to pursue that goal.

All we need now is a government with a national goal that will provide job opportunities for all of those people. We will not be worrying then about changing the legislation in the hope that by changing it enough, we can force those people who are too lazy to work to go to work.

If there were job opportunities, those people would be working. The government should change its economic policies. One way would be to lower interest rates which would make it possible for us to export more goods, as we were doing during the war. We were exporting then. The fact that goods were going into a hole in the ocean did not matter because that created tremendous job opportunities. We did it all without borrowing abroad because there was nobody to borrow from then. We financed within Canada. We did so to pursue the national effort. There was nothing magic about it. It was a government plan. The government devised and organized it without interference. It had to almost conscript capital to force going along with it, but it was possible to organize during the war an economic system that provided employment for everybody who wanted to work. When there were those job opportunities, strange to say, everybody wanted to work, everybody did work, and for the first time, in the history of Canada to a large extent, women got involved in what were traditionally men's

jobs before that. Of course now they have the opportunity to work in all those jobs. That is the way it works.

• (1640)

We cannot do away with unemployment. We cannot make the lot of the unemployed any better by making it tougher to collect unemployment insurance. That is simply going to push the load of maintaining those people onto provincial governments because welfare is going to have to come into play more. Of course, the provincial governments are getting less money, or at least the increase in transfer payments to the provinces are going down and that means that the provinces are going to finance most of this.

The federal government is going to control the economic system. The federal government is going to decide how much interest rates are going to have to go up to control what is happening in southern Ontario as opposed to what is happening in the rest of the country. The federal government will retain complete control of our economic system, but the provinces are going to have to finance the cost of the errors, the cost of the problems that are being created by the federal government.

The government has not come to fully realize just exactly what it is going to cost when you extend, as we are doing here, the periods that employees have to work in order to qualify for unemployment insurance. There will be the opportunity for employers to see that employees do not work long enough if they want to cut their costs. They are going to push people out of work before they qualify. The cost of maintaining those people is going to be borne by the provincial governments through the taxpayers in the provinces rather than by the federal government.

The fault is federal and the opportunity to change this is federal. The government has shown in the past that it can, when there is a national effort to accomplish something which is very worth while, change things. The federal government has the mechanism to do it within Canada. We are no so dependent on external forces as we would like to believe today. The federal government can do it, but it will not.

The federal government is abdicating its responsibility to improve the system, to come up with a system that will work and instead, deliberately pursuing policies which are bound to end in increased unemployment, and at the same time saying that the cost of supporting the people who are forced into unemployment will be borne by another level of government.

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, I welcome the opportunity to take part in the debate on these amendments to Bill C–21, an act to amend the Unemployment Insurance Act.

I share the views expressed by my colleagues on this side of the House as to the cruel and unfair measures the government will take in its changes to the unemployment insurance system. I want to congratulate the hon. member for Notre–Dame–de–Grâce on his excellent intervention and for his sincere convictions in wishing to see the unemployment insurance system maintained and supported instead of being gutted by this government.

The amendments proposed by the Liberal members who were on the legislative committee studying Bill C–21 are both positive and valid. They seek to ensure that Canada's unemployment insurance system obtains the support it requires in order to provide effective measures for workers who become unemployed.

I ask that the government give serious consideration to adopting the amendments which have been put forward by my colleagues.

I believe that every member in this House realizes what these changes will mean for the Canadian worker. Simply put, workers will have to pay more into the system and receive less in benefits if they become unemployed. There is something inherently wrong with such a relationship. This certainly goes against the attitude of compassion which the government frequently tries to sell to Canadians.

Bill C–21 will place severe limitations and restrictions on the unemployment insurance system and those who may require its assistance. It restricts a claimant's access, eligibility and entitlements. We should remember that UI is supported in part by workers and employers through their individual contributions. Bill C–21 will increase the amount of qualifying weeks needed for a claimant to receive benefits and it will reduce the number of weeks in which those benefits will be provided.

The government has announced that it will withdraw its contributions to the unemployment insurance fund as of January 1, 1990. Employees and employers will be forced to make up for this withdrawal by having their UI premiums increased. The government will now make those workers who may need unemployment insurance assistance truly pay more for less.

It was very benevolent of the government to state in the recent budget that it would be willing to step in and contribute to the financing of unemployment insurance during "difficult economic times when it is inappropriate to raise premiums and prudent to allow deficits to build in the UI account". One is left, however, with the truly frightening thought as to just what exactly will have to occur before the government deems Canada to be in difficult economic times. What will be the litmus test this government will use to make such a decision?

Perhaps the government will recognize difficult economic times are in existence if for example the country is facing high interest rates, severe budget cuts, multiple tax increases, and the closure or takeover of numerous Canadian industries and businesses. Such events would certainly increase unemployment in Canada. If these are valid examples of difficult economic times, then I suggest that the government would be better off to withdraw Bill C–21 right now and maintain its contributions to the unemployment insurance.

I represent the riding of Stormont—Dundas. This riding includes the city of Cornwall and the two rural counties of Stormont and Dundas. Thus my constituents may work in either an urban or rural setting. This is not unlike the situation which exists in a number of ridings throughout Canada. The changes to the unemployment insurance system will, however, have a negative impact upon many of my rural constituents.

Many rural industries and businesses operate with seasonal workers. These workers are usually able to obtain the required number of qualifying weeks for unemployment insurance benefits. Bill C–21 will increase the number of weeks that will be required for such benefits. Given the seasonal nature of their jobs, these workers may not be able to accumulate the extra number of weeks.

Employers in rural areas lay off seasonal workers after a specific period. To become eligible for unemployment insurance benefits, many seasonal workers would have to be kept on longer. I am not sure that employers would keep their workers on longer as it means more wages have to be paid and this increases the employer's operating costs. As a result, their businesses would become less competitive.

If these businesses compete on the international market, they would suffer economically because of the increased costs. It would be ironic to see the Conservative free trade deal adversely affected by its own unemployment insurance changes.

The government boasts that it will provide additional funds for job training. Such a step in itself is positive. However there is a problem of training someone for a job that simply is not there. Often in rural communities there is only one industry or major employer. There are no other avenues for employment. If workers residing in rural areas enter training programs, then after they have learned new skills they may have to move from their present location to find jobs elsewhere.

The government has stated it will increase mobility funds to help workers relocate to higher employment areas. This, however, does not help the viability of the places where the transplanted workers once lived. Is the government content to have a series of ghost towns in rural Canada?

The unemployment insurance benefits have served as a stabilizer in communities where high unemployment exists. These benefits actually play an important role in the local economy. At times they contribute to keeping businesses alive and help keep from placing an added strain on the welfare system. Unfortunately, there are many cases of this throughout the country.

Unemployment in the city of Cornwall, as in the counties of Stormont and Dundas, is fairly high. It is between 10.7 and 10.9 per cent. While unemployment may be higher in other parts of Canada, I believe that these figures are still significant. They convince me that the changes to unemployment insurance will have a serious impact within my riding and other areas of eastern Ontario.

The problem is compounded with the inclusion of Stormont and Dundas and surrounding areas into the eastern Ontario economic region, a region which also incorporates the city of Ottawa. On August 16, 1988, the Minister of State for Employment and Immigration announced the undertaking of a comprehensive review of the unemployment insurance economic regions. These regions are used for the delivery of the unemployment insurance program. The unemployment rate assigned to the economic region in which a worker resides determines the minimum number of insurable weeks needed for that worker to qualify for benefits.

• (1650)

At the time of her announcement the Minister of State for Employment and Immigration said that it had been 12 years since the last comprehensive review had occurred. Since then the minister added that the distribution of people and employment opportunities in Canada have changed.

Thus, rather than just making adjustments, this review would ensure that the system of economic regions would become more responsive and sensitive to the differing conditions throughout Canada. This sounds wonderful except that the review is still going on and the implementation of the unemployment insurance changes is getting closer and closer every day.

The Minister of State for Employment and Immigration made her statement over a year ago. Officials in the department have said that the review has been in progress for well over a year. Moreover, on June 6, 1989, at a meeting of the House of Commons employment committee, senior officials from the Department of Employment and Immigration said that there could be a delay in having the new boundaries in place before the unemployment insurance changes come into effect on January 1, 1990.

The town of Renfrew, the cities of Cornwall and Brockville, and the united counties of Stormont, Dundas and Glengarry have all passed resolutions petitioning the government to bring the necessary boundary changes to the eastern Ontario economic region. I would like to read a portion of their resolution. It states:

> The inclusion of the region of Ottawa–Carleton in the same economic region with such counties as Lanark, Leeds—Grenville, Prescott—Russell, Renfrew, Stormont, Dundas and Glengarry implies that the level of local economic activity characteristic of Metropolitan Ottawa is also characteristic of these counties. This is not the case. The government must revise the current boundaries of the eastern Ontario economic region to accurately reflect the economic realities of eastern Ontario.

Job opportunities and unemployment rates in Stormont—Dundas are not the same as those exist in Ottawa. The two are drastically different. Ottawa has an unemployment rate of just under 6 per cent. Stormont—Dundas has a rate between of 10 per cent and 11 per cent. The inclusion of these areas with Ottawa–Carleton is a ridiculous and wholly unfair situation.

An unemployment insurance claimant residing in a region that has an unemployment rate of under 6 per cent needs, under the new system, 20 weeks of work to qualify for benefits. In a region with an unemployment rate of between 10 per cent and 11 per cent, a claimant requires only 15 weeks to be eligible for benefits. By using the old boundaries, one can easily see the inequality and hardships this will cause.

The Liberal members on the legislative committee studying Bill C–21 have put forward a number of amendments which would improve the fairness of this bill. The government should adopt their amendments if it is sincerely interested in maintaining an effective unemployment insurance system in Canada.

I believe the government would be providing an extreme disservice to Canadian workers by introducing Bill C–21 without including the amendments of my hon. colleagues. The government would in fact be saying that it does not care how Bill C–21 will affect the lives of Canadians in all parts of the country.

People who become unemployed do not automatically lose their financial obligations. Their bills are not paid for them and they do not always find another job right away. What about the older worker, women in the service sector and our youth who are trying to survive in our competitive workforce. By passing Bill C–21 without amendments the government would be saying that it does not care about these people at all.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, in addressing this stage of Bill C–21 it disturbs me to see the government's actions. We are asking the working people of this country to pay more for longer periods to get less for shorter periods. On top of

that, we are asking the same working people and their employers, regardless of their ability, to pay for a multitude of programs that have absolutely nothing to do with unemployment rates and have absolutely nothing to do with the principle of insurance.

This government from time to time has gone on at great length to say that we have to return the unemployment insurance system to the principles of insurability and that it should have some relevance to the purposes for which the unemployment insurance system was first designed.

But this bill not only introduces one of the most unfair kinds of taxation systems imaginable but, in terms of social cost accounting, it is moving 180 degrees in the opposite direction from which anyone with any modicum of common sense at all ought to be considering. We are asking working people and their employers, regardless of their ability to pay, be they workers or employers, to pay more for longer periods to get less for shorter periods. Obviously that does not make sense. It certainly is not justice and it certainly is not fair.

I have worked with many working people in the some 21 years I spent in the hourly paid labour force in several industries. Those who have worked for 10 or 20 years and are fortunate enough never to find themselves unemployed for a long enough period of time to collect at least know that some of the people they work with are going to benefit from the UI program. They say: "Well, even though I never got anything out of it and I have been paying all these years, at least my workmates get something".

Now we are asking them to pay for education programs and to go even further along the path which was set under the Liberal administration a few years ago. They are paying more for what should be economic development programs and job creation programs. Those programs may be fine. They may be dandy, and maybe we are not going to argue with those particular programs at all, although some of them have had pretty patchy records from time to time. On what basis of common sense or any other kind of reasoning do we suggest that these programs have any relationship at all to an individual employee's or employer's record of employment or unemployment? There is just no basis in reasoning.

Some of the other measures that are being taken within Bill C–21 have been required by court action to extend maternity benefits into paternal benefits are good. While we have not taken issue with them within the context of Bill C–21, I am one of those who have wondered for some time just what the hell they have got to do with employment and unemployment in terms of unemployment insurance premiums.

Where is the relationship between whether somebody is employable or unemployable depending upon the vagaries of their particular company or industry? These are good programs but they have no connection to an unemployment insurance program. It is fraudulent to suggest that they do. We are compounding that fraud by all of these changes, both in internal financing and the kinds of programs we are asking the UIC fund to pay, that is the whole thrust of Bill C–21.

When a measure is so far out and so incomprehensible in terms of the aims and objectives of unemployment insurance as is this, it is hard to know how to force yourself to deal with some of the detailed matters arising out of the legislation. When the entire concept is screwy, it is hard to do what you think is just wasting your time talking about the dotted *i's* and the crossed *t's*.

Other changes have been made from time to time in answer to the kinds of reactions arising from some sections of the labour force and some sections of the business community, that say we have to tighten up the rules, tighten up the periods and qualifications, et cetera. We bring in new regulations. Some ordinary employees work 5, 10, 15 or 20 years and never collect UI often never collecting during their entire lives. If they do find themselves suddenly thrown out of work, having been laid off and honestly unemployed after having paid the premiums, they go to the UI office and they make a claim. While some of the trick questions and various other methods that have been brought into the system over the years to stop abuses of the system do not do a very good job of stopping or dissuading those few who want to cheat this system and any system, these methods do an excellent job of discouraging and cheating these honest employees who, once every 10 or 20 years, find themselves on the unemployment lines. They are the ones who get shafted.

• (1700)

Surely we have been at this business of unemployment insurance long enough that anyone who has been a member of Parliament for a few months, not to mention several years as a number of the members opposite have been, should know that those workers are the people who get hurt every time we tighten the screws, and not the ones who Parliament has supposedly been after. So why do we keep doing it? Is it our intent to shaft honest employers and honest employees? I cannot believe that, but after experiencing this place off and on for a number of years I am really left wondering just what kind of motivations we have when we continue to abuse this entire system and the people who should be the honest beneficiaries of it in times of their own peril.

Most working people are honest, most are hard working, most employees and most employers do not mind paying their share. But in terms of equity, why should an employer who is operating a very marginal business in terms of profit, or may in fact be suffering a loss, have to pay exactly the same amount of taxes per employee as a corporation which may have been in the enviable position of earning hundreds of thousands or millions of dollars in profit over the preceding year? What kind of sense of equity brings about a system in which we not only place 100 per cent of the responsibility for payment on those employers and their employees but in which we add a whole host of other programs; social programs, maternity benefits, paternal benefits, job training strategies, education programs and everything else that should properly come out of general revenue based upon ability to pay, and put them onto the backs of those employers and those employees?

The entire system, as we are amending it, is making less and less and less sense every year. If our constituents from one end of the country to the other, from cities and rural areas and the resource hinterlands of this country are up in arms, if they are feeling that nobody really gives a damn about them and nobody in Parliament really gives a damn about any sense of equity or justice, then we can hardly blame them. If we and this institution become held in contempt for what we are doing to those people, I, for one, think that they are entirely justified if we go by the track record of this Parliament in recent years.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, the bill that we are considering would seek to drastically change the unemployment insurance regime, a system that has served this country very well. In so many other institutions or programs, be it medicare, pensions or any other item that I could mention to you in the arena of government activities there are abuses. Take medicare, for example. It is not difficult for us to demonstrate that in the medicare area there are abuses. But who is there among us who would suggest that we ought to throw out medicare, that we ought to disrupt the basic system, that we ought to throw out the baby with the bath water? Surely there is a better way.

I submit to you that if these changes go through, if this savage piece of legislation goes through, if the government has its way in gutting the unemployment insurance system, it will have thrown out the baby with the bath water, it will have destroyed a system, a program that has served this country very well.

I hear some among us in this Chamber talk about the lazy people. I have heard it again and again, muttered at first, but now they are getting a little braver because they are beginning to realize that a number of their colleagues over there share the view that somehow people who draw unemployment insurance are lazy.

They ought to have been with me today when I was travelling back from my constituency of Burin—St. George's. At the airport in Stephenville I talked to a lady from one of the nearby communities, a married woman who has three children aged 9, 11 and 13. She was doing what tens of thousands of Newfoundlanders have done over the years. She had the option of staying put and drawing unemployment insurance at the present rate, not at the doctored rate, the diminished rate that we will have if and when this bill goes through. She had that option, but instead last night she packed her suitcase and left her children in the charge of a family member. As I speak she is in Toronto looking for a job. I said to her: "Did you have a job or some indication of a job before you decided to go?" She said: "No, I have to go. I have no choice."

She has a choice of sorts. She can stay home and draw that unemployment insurance and be with her loved ones including her three children, or she can go and seek employment. She is doing what the thousands of Newfoundlanders who live in Fort McMurray, Cambridge, Toronto, Halifax and Vancouver do; what the hundreds from my riding who work on the CP tracks from Saskatchewan through to B.C. every summer for many months do; and what the hundreds more who work on the Great Lakes boats for eight or nine months a year away from their families do.

I have to tell you that as a Newfoundlander I am insulted, absolutely insulted, by the pious suggestions of those people who tell us they will save us from ourselves, who tell us they will help us stop being lazy. I have news for you. It is not laziness that has put many of my fellow Newfoundlanders on the receiving end of unemployment insurance over the years, not laziness but absolute, dire necessity.

As in the example I just gave you of the mother with the three children, even when they have the option of receiving unemployment insurance benefits many of them opt to go and look for something better.

Other of my colleagues here on this side of the House will be making points about the individual problems with this legislation. I just want in passing to mention a couple, but I then want to get back on a theme that I think might help members of this House understand why it is the unemployment insurance system ought not to be savaged in the way it will be with this legislation.

The longer qualification period and the shorter benefit period are two proposed provisions which will play a lot of havoc in the area I represent. Why is that? Is it a game because they do not want to go to work? No, it is because there is no work to go to.

• (1710)

It is all very well for somebody who lives in southern Ontario where the economy is moving along quite fine, thank you very much, to sit in judgment on those who receive unemployment insurance benefits. It is a very different matter for those on the receiving end, a very different manner indeed.

You have to look at Newfoundland and other parts of rural Canada in this particular context. In so far as Newfoundland is concerned, and my riding of Burin—St. George's, many of the jobs are by nature seasonal occupations. That is not to anybody's blame; it is just the way it is. It is difficult in parts of Newfoundland to catch fish through three feet of ice. It is difficult to catch fish when the Arctic ice is moving down from Greenland as it does on the northeast coast of Newfoundland, sometimes as late as June. It is foolhardy to be putting nets out there if they are going to be mowed down by an iceberg several times as high as your house.

There are realities out there. If you extract a livelihood from the harsh resources of the North Atlantic there are some realities. One of them is: just as you do not stand in front of a truck in downtown Toronto unless you have a short-term objective, you do not put your boat or nets in front of an iceberg.

All those people who piously tell us about how they are going to save Canada from lazy people ought to take a trip to Newfoundland or take a trip to Cambridge, Ontario, or Fort McMurray and have a look at the lazy Newfoundlanders they are muttering about.

They will find a couple of things if they have done a survey. They will find there are more native born Newfoundlanders living outside Newfoundland today than there are in Newfoundland. I wonder why. It is because they had enough get up and go to get up and go to where the jobs are. But some of them, for many reasons, have not had that option open to them.

We are fed up with being characterized as a bunch of lazies because we happen to take advantage of a program that was designed for our kind in the beginning.

What is our kind? It is the kind of people who through no fault of their own have to find a way to bridge themselves between seasonal job opportunities. That is what the guts of this program is all about. That is why I get upset that the government is wanting to take the guts out of this program and that is what it is doing with this legislation, make no mistake about it.

It is Tory resettlement 1989 style. It is a cowardly, not too well disguised attempt to encourage people to move to urban Canada. Well, we have news for them. I see from your signal, Sir, that my time has run out. If I had more time I would tell you what that news is.

In conclusion, Mr. Speaker, for now I give you notice that if this government, through unemployment insurance wrecking, through the closing of post offices, through the shutting down and abandoning of railway lines, through the foisting upon people of another tax which they cannot pay, insists on trying to shut down rural Canada as it is doing, the public will have a message for it come the next election.

Maybe what ought to be done, I say to my good friend for Burlington whose heart is in the right place but whose head is all tangled up with the wrong gang, is to go back and, instead of bringing in those semantic rules, those changes which mean nothing, do the people of Canada who have helped build this country from coast to coast a favour, do them a service instead of being party to the insult that somehow they are lazy because they need assistance from the public purse once in a while, until the seasonal job comes around again, until they can of their own resources provide the livelihood for their family and their loved ones.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, it is with no great pleasure again that I stand here to debate Bill C–21. After having gone through the closure motions which we went through yesterday and the Draconian actions which this government has put this Parliament through in order that it would hear as little debate as possible on this measure, there is no joy in getting up to speak to it.

When we look at such measures in Bill C–21 as major and minor attachment to the workforce, the natural question to ask is: What does that mean? What it means in its essence is that those who are least advantaged in our society are going to be the ones who suffer the most.

Who are the least advantaged in our society, or the most disadvantaged, whichever way you would like to put it, Mr. Speaker? We find there are several groups of people within that description, but certainly there are those who are less well educated and there are those who work part time, and both groups contain a preponderance of women. In the final analysis, those who are going to be most severely affected by these changes to Bill C–21, and most other changes as well, are women.

For the government to come in with such a change to the act is an indication which I think can be traced to free trade. It can be traced to these fine schemes the government has for forcing the Canadian workforce to be competitive.

Those are phrases which we often hear the government refer to in defence of any number of things it is proposing, all the way from the general sales tax. These references are couched in language that it is trying to do something with the deficit and the national debt and so on. Of course, there have been references as well to Bill C–21 in the same context, trying to become competitive, and free trade is involved in it as well. Of course, competitiveness was one of the reasons that the government kept referring to as the necessity for getting free trade.

When we talk about competitiveness the implication is always that Canadian workers are really overpaid. When the government talks about competitiveness, it talks about lean and mean. When the government talks about reductions, it talks about social programs. There are any number of our competitors who have better social programs than Canada does.

It makes you wonder, but not for long, what the government is talking about when it talks about "competitive". The reason you do not have to wonder very long, Mr. Speaker, is that you suddenly realize that what they are talking about is our competitiveness in relation not to the more progressive countries of this world but to the least progressive countries of this world.

Members of the committee on the government side have even made direct references to how well off Canada is in relation to, I am not sure whether it was Bangladesh or the Philippines or some other very seriously disadvantaged country.

Why is the government putting in these measures in Bill C–21? When we look at the government's own impact study, we find an admission which I would be ashamed to do if I were the government. It admits that right off the top there are going to be 30,000 Canadians eliminated altogether from being able to benefit from unemployment insurance.

There have been more credible studies, I would suggest, which have shown that in the neighbourhood of 130,000 Canadians will be excluded entirely from unemployment insurance benefits, not 30,000. One hundred thousand more Canadians will be excluded entirely from unemployment insurance after the changes to the Unemployment Insurance Act goes in compared to those who are able to access it now.

• (1720)

We are going to create a very large class of very poor people, again, as I said, mostly poorly educated and mostly women. It is not a marvel when you look at those countries which so often are implicated in the government's statements that we need to become more competitive, that in those countries in what are commonly called unfortunately the Third World countries, we find that the people who are abused by the multinational corporations and their own governments are the poor and that they are mostly women.

I would suggest to you, Mr. Speaker, consciously or unconsciously one of the main consequences of these changes to C–21 which the government is bringing in will be that in Canada, in preparation for an even broader free trade agreement with what we often hear the government refer to as the Pacific Rim, we will be setting up people who will be glad, because they are not able to even get the poorly paid minimum wage jobs that are available in this country now.

The minimum wage is something else we could talk about. I would remind the country that the federal government's minimum wage is the lowest in the country. At best on the government's minimum wage a single person anywhere in the country would make half as much as the poverty line in this country.

This bill is setting up Canadians for the multinationals to come in and use those poor people, to use those women in exactly the same way as they are being used in the Third World countries; for the menial, repetitious tasks which experience has shown time and time again wear these people out in three to five years. In many instances they are not able to continue to any other kind of employment, because of perhaps poor eyesight or because of the totally debilitating postures they have developed due to the conditions under which they have been forced to work, than going on the streets as prostitutes.

I would suggest that this bill is moving Canada very, very close to that line. With the spread to the Pacific Rim trading, to the Pacific Rim free trade deal, I predict that this is precisely one of the effects that this bill is going to have.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I thank you for allowing me the opportunity to address Bill C–21 on changes in the Unemployment Insurance Act.

I see that the hon. member opposite is grinning with the same kind of grin that the government is giving all of us who are very concerned about the changes in this bill; a kind of grin that says "the heck with you" because we are putting forth some changes and even though we are following a procedure that, as my colleague to the left has said, is Draconian in the extreme, we are going to put it through. Even if the contents of this bill go counter to all the principles that Canadians have come to regard as being part and parcel of this nation's fabric, principles that have taken us 100 years to build up as part of the Canadian character, we are going to shove it through without the appropriate debate.

I am pleased that we have at least a modicum of opportunity to address some of the amendments that are here before us, amendments that have been made necessary, quite frankly, because the bill does not do what it ought to do, namely, to address the unemployment problem in this country, most of it structurally.

I have heard the government members over the course of several days spread out over several months—because we have had such limited time to debate this bill in this House—read out some statistics about the greatness of their job programs. Nothing could be further from the truth. In fact, the unemployment rates for the post–recession period, for the post–growth period that is supposedly unprecedented in the history of this country, are much higher than they were in the pre–recession period. In fact, what is very, very telling is that the structural unemployment rate in 1988, according to StatsCanada, is much higher.

I know the parliamentary secretary is trying to represen rate in 1988, according to StatsCanada, is much higher. watching him carefully on the monitor to make sure that things are being waded through properly. But I draw to his attention that the structural unemployment rate in 1988, five years after we began a post–recession period of unprecedented growth, sits at 8.3 per cent. That is 5 per cent higher than it was before this country entered into a recession.

That structural unemployment rate is verified in the doubling of a rate amongst older workers. In 1982, for example, as Canada was going into a recession, the structural unemployment rate among seniors was at 7.7 per cent and today it sits at 14.8 per cent. The prime structural rate nationally sits at 7.7 whereas prior to the recession and prior to all this growth it was at 5.6 per cent. The duration of unemployment in 1982, the duration of time that people spent on unemployment benefits if they found themselves without employment in 1982, prior to this country entering a recession, was 15.7 weeks for the average claimant. For the average claimant at the end of 1988, according to StatsCan figures, in a period of unprecedented growth, the duration was 19.1 weeks per claimant.

These figures beg the question why, why Bill C-21? What is this bill doing to address the structural unemployment of this country? What is this bill doing to address the longer term of unemployment in this country? What is this bill doing to address the varying disparities nationally among our regions?

Precious little, Mr. Speaker. I give you an example. The government has spent much time, through its members, reading statistics about how it is going to put in more moneys. Instead of putting moneys into income maintenance for claimants it is going to put moneys into job creation programs, into job entry, into job development, into skill shortages, into skills investment and community futures. Well, I think it is important and instructive for us all, for the nation, to understand what the government is doing. It is important so that the nation—all peoples watching this debate which has been shortened by the government's desire to pass through a bill very quickly without having the nation wake up to discover what is happening to it and to its citizens—can judge.

Let me read some of the figures because they are in juxtaposition with the minister's words. It is appropriate for all of us to wonder which speak the truth; the words of the minister and her government or the statistics of the moneys that the government is actually putting forward in these job training programs in job development.

For 1989, according to the Estimates, there was a net decrease of 8 per cent of funds available for job development. For job entry there was a net decrease of 1.7 over 1988. The skill shortages area is extremely important because the minister is justifying the changes to the unemployment insurance bill on the basis that we require greater skills amongst our labour force. What she has done is decreased—that is spelled d-e-c-r-e-a-s-e-d, Mr. Parliamentary Secretary—moneys to the tune of 3.6 per cent. She has dropped the amount of money in skills investment by 7 per cent. She has dropped the amount of moneys for Community Futures by 2.5 per cent. She has dropped the amount of moneys available for Innovations by 20 per cent over the last year.

• (1730)

Mr. Speaker and hon. members, I ask you, is this an indication of a government that is telling the truth, or is this an indication of a government whose actions speak a greater lie than its words?

One need only take a look at some of the clauses that this government would ram through. For example, it is unprepared to support a motion by my hon. colleague for Notre-Dame-de-Grâce in the area of benefits for people who adopt children. We have seen a reduction of unemployment benefits for such purposes go from 15 to 10 weeks, where the amendment of my colleague says, "Let us substitute the word "ten" for "fifteen". What happens? The government says, "No, no, no, we cannot support that. We are going to make some mealy-mouthed approach to the fact that we are going to rectify a problem". The government introduces a clause that is going to implement a means test from which only those who have the patience of Job will be able to profit.

That would be bad enough, but we take this very miserly and vicious attitude towards helping to develop a labour force for refer to as an equally vicious subclause in clause 19 of this bill. In addition to giving the government the power to change the unemployment insurance fund from an income maintenance program to a training type of program, it privatizes unemployment insurance and gives the government the authority to take a grand total of about 15 per cent of all funds from premiums and apply them to training programs, training programs which obviously it is not at all favouring, if we accept the Statistics Canada figures that I just read a few moments ago, figures that are corroborated by the department.

The estimates for Canadian Jobs Strategy, the amount of moneys that are going to be generated by this adjustment in the training program run at about $1.4 billion and the unemployment insurance bill is going to be greater than that. What will happen is that the government, with a sleight of hand, will move moneys out of unemployment insurance premiums into Canadian Jobs Strategy. Well, thank you very much. Let us suppose that this is going to serve the people of Canada, it is going to serve the labour of this country. What about those claimants to unemployment insurance who face an employment counsellor and say, "I do not want to accept unemployment insurance. I want to go on a training program".

I draw your attention to Clause 19, Mr. Speaker. Claimants cannot appeal the decision of an employment counsellor. I ask you, Mr. Speaker, as I ask all members on the opposite side of the House and on this side of the House; if we are truly interested in developing a skilled labour market for all of Canada, should we not at least give them the right of appeal? I guess the answer is that the working people of Canada are going to be treated with the same contemptuous arrogance with which this House has been dealt by the minister and this government in this debate.

Mr. John Brewin (Victoria): Mr. Speaker, the motion before the House focuses on the provisions of this legislation which discriminate against new claimants for unemployment and, in particular, young people. The bill discriminates, therefore, against those who have the greatest difficulty in surviving economically and socially. Once again we have an example of the government's actions confounding the government's rhetoric. Once again, the government contributes to the unnecessary divide that is building in this country between the affluent and the less well-to-do. Once again, the government pushes away from the family table the least advantaged, in this case Canada's unemployed young people.

I want to address one set of consequences of this legislation that has not so far received much focus. I speak in part in my capacity as critic for the Solicitor General's Department for our party.

It is fitting that we raise the issue of the impact on crime prevention in this country of this legislation because today the Solicitor General with a lot of PR fanfare announced Crime Prevention Week. The hypocrisy of this government knows no bounds. The very week it asked Canada in sanctimonious terms to participate in crime prevention it guts one of the key programs that gives some hope of preventing increased crime in Canada.

Two weeks ago in Montreal an international conference of experts and civic leaders was sponsored by the Federation of Canadian Municipalities. This conference included guests and delegates from Europe and throughout North America. Included in the sponsors was the European Forum on Urban Security and the U.S. Conference on Mayors in collaboration with the Montreal Urban Community, five international organizations of cities and more than 30 partners. They received over 100 briefs. They had delegates from 31 countries around the world and were addressed by the Under Secretary General of the United Nations, the Secretary General of the Council of Europe, ministers from France, the Netherlands and Canada, as well as mayors from Canada's and the world's major cities.

At this conference the federal government gave merely passing attention. Two of the ministers dropped in to give speeches and disappeared. The speeches, if I may say, were marked by bromidic clichés. In the follow-up seminar after the conference the Minister of Justice did not even appear himself. He sent his Parliamentary Secretary who did not take the trouble to even understand what the seminar was about.

The overwhelming conclusion of this major international conference was that community must be the focal point of crime prevention, and that we must go beyond the criminal justice system in seeking a solution to the rising crime rate in Canada and throughout the world. Crime prevention must focus on social development, it was said in this important conference. The causes of crime, as we have known for years include poverty, unemployment, lack of affordable, decent housing and an unresponsive education system. It is particularly among our young people that unemployment has the effect of moving them to crime, and crime is largely centred among our young people.

We were treated in the seminar after the conference to a very important paper based on a study in the U.K. by a David Farrington and a Donald J. West. This study surveyed over the last 25 years 400 young people in London and traced their development from about age eight or nine to now when they are into their mid-thirties. They were able to interview in their most recent round somewhere over 90 per cent of the participants back in the early 1960s. They were able to look at those who got into trouble with the law and who had contributed to the rising crime rate in Britain. They were able to make some analysis of what it was that distinguished those who got into trouble from those who did not.

The overwhelming conclusion was the conclusion which the conference itself reached. In order to prevent the development of crime and antisocial behaviour, social prevention programs are vitally needed. These could begin, and I quote: "by targeting three important predictors of offending that may be both causal and modifiable"—sociological words at their best—"economic deprivation, school failure and poor parental child rearing behaviour". What this points to is a combination of programs, but a combination in which dealing with youth unemployment is absolutely essential.

• (1740)

Britain, under the Prime Minister's friend Margaret Thatcher, tried to do what this government is doing in a slightly different way. They cut off young people from unemployment insurance, or the British version thereof, between the ages of 16 and 18. That change lasted for barely a year. Margaret Thatcher herself finally understood the impact of that on the other issue which she was concerned with, which was crime in British cities. She changed her position entirely. The government was forced to reverse that decision and to reinstitute unemployment insurance for the 16 to 18 year olds in Britain.

If this government is serious about crime prevention, if it wants to do more than rhetoric, it must withdraw this bill and completely revamp the provisions applicable to young people in Canada.

UI is a major federal program. It is one of the points at which the federal government directly intervenes in the social systems in Canada. It gives the federal government some very real leverage in trying to cope with the social problems that are hitting our cities and our countryside. The delicate fabric of our social system is critical to the fight against illegal drugs and crime that accompanies that dreadful traffic.

I plead with the government to take this issue more seriously than it has. What we have seen all summer is a situation in which the government has simply pretended to listen. It has reduced the number of hearings that it has held and wants to hold across the country. It has said from the outset that it is not going to accept changes, and we have seen that reaction so far in the House. It has turned a deaf ear to the pleas of the people from every section of this country not to proceed with these changes, not to do this unravelling of a critical social program for the people of this country.

At the conference I referred to earlier some of the speakers revealed the two world visions that now face us when we look at the changing social conditions since the end of the Second World War, the rapid urbanization, the tremendous growth in poverty around the world, the changing economic system that is imposing changes on the social, political and economic systems around the world.

We in the west have two possible responses, two opposite visions that we can put forward. We can put forward the vision of a Ronald Reagan or a Margaret Thatcher or the Prime Minister of this country, which is of two nations, of two worlds—a rich world and a poor world. The rich can increasingly build a bunker around themselves and try to fend off the legitimate cries for equality, the legitimate cries for a place at the table. Or we can move to a different vision, a vision at which we first begin by recognizing that the world is a family, that we are all one, and that our obligation as members of Parliament and as public servants is to try not to narrow the access to the riches that this country and this world can produce but instead to broaden the access to those riches and that a country is going to be measured not by the wealth of its richest citizens, but by how we treat our poor and, in particular, our young people who must begin by building a world of hope. Only then can we begin seriously and realistically to deal with the problems that confront us.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I rise on a point of order. Has the time for debate expired? If that is the case, I want to again say in the strongest terms that by using closure in this debate the government has shown complete contempt for democracy as many points have not been made in this debate.

Some Hon. Members: Hear, hear!

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-42, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1990.

* * *

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, as reported (with amendments) from a legislative committee; and on Motions Nos. 15, 16 and 18.

Mr. Deputy Speaker: It being 5.45 p.m., pursuant to order adopted in accordance with Standing Order 78(3) on Tuesday, October 24, 1989, it is my duty to interrupt the proceedings and to put forthwith every question necessary to dispose of the report stage of the bill.

[*English*]

I will do the grouping on Motions Nos. 15, 16 and 18. Motions Nos. 15, 16 and 18 were grouped for debate. A vote on Motion No. 15 applies to Motions Nos. 16 and 18.

Mr. Ron Fisher (Saskatoon—Dundurn) moved:

Motion No. 15

That Bill C-21 be amended in Clause 11 by adding immediately after line 7 at page 10 the following:

"(3) for the purpose of this section, a major claimant shall be defined as being a claimant having ten or more weeks of employment during the qualifying period."

Hon. Warren Allmand (Notre-Dame-de-Grâce) moved:

Motion No. 16

That Bill C-21 be amended in Clause 12 by striking out line 13 at page 10 and substituting the following therefor:

"able to a claimant who".

Motion No. 18

That Bill C-21 be amended in Clause 14 by striking out line 10 at page 11 and substituting the following therefor:

"able to a claimant to".

Mr. Deputy Speaker: The question is on Motion No. 15. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 76(8), the recorded division on the motion stands deferred.

I address myself to the hon. member for Notre-Dame-de-Grâce or the member for Ottawa-Vanier. The mover of Motion No. 17 is Mr. LeBlanc. Do you want to move it on behalf of Mr. LeBlanc?

• (1750)

Mr. Allmand: The hon. member has decided not to put that motion.

Mr. Deputy Speaker: Therefore Motion No. 17 is withdrawn.

The next motion is Motion No. 20.

Mrs. Marlene Catterall (Ottawa West): moved:

Motion No. 20

That Bill C-21 be amended in Clause 20 by striking out lines 38 and 39 at page 13 and substituting the following therefor:

"provide assistance to claimants who have at least ten weeks of insurable employment and who are not otherwise disqualified under this Act for any".

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: The recorded division shall stand deferred.

The next grouping involves Motions Nos. 21, 22, and 23. A vote on Motion No. 21 applies to Motions Nos. 23 and Motion No. 22 will be voted on separately.

Ron Fisher (Saskatoon—Dundurn) moved:

Motion 21

That Bill C-21 be amended in Clause 20 by striking out lines 26 and 27 at page 14.

Hon. Warren Allmand (Notre-Dame-de-Grâce) moved:

Motion No. 22

That Bill C-21 be amended in Clause 20 by striking out lines 32 to 35 at page 14.

Mr. Deputy Speaker: The question is on Motion No. 21. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: The recorded division shall stand deferred.

The next question is on Motion No. 22. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: The recorded division on the motion stands deferred.

The Chair understands that there is unanimous consent for the Minister of Employment and Immigration to move Motion No. 24A which had been ruled out of order by the Speaker on Monday, October 16.

Some Hon. Members: No.

Mrs. Catterall: Mr. Speaker, I rise on a point of order. There have been discussions with Mr. Kempling and directly with the minister's office in the last ten minutes on whether both Motions Nos. 24A and 28 would be accepted as in order. We have not yet reached a conclusion on that. We will try to do that in the next few minutes.

Mr. Deputy Speaker: The Chair gathers that there is no consent at this time.

The next groups involves Motions Nos. 25, 26 and 39. A vote on Motion No. 25 applies to Motions Nos. 26 and 39.

Mrs. Marlene Catterall (Ottawa West) moved:

Motion No. 25

That Bill C-21 be amended in Clause 20 by striking out at line 17 at page 15 and substituting the following therefore:

"paid in any year under sections 24 to 26.1 and 116.1".

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: The recorded division on the motion stands deferred.

Mr. Allmand: Mr. Speaker, I rise on a point of order. It was my understanding that Motions Nos. 25, 26 and 39 were to be moved and put to the House and that it was the vote on Motion No. 25 that would determine the results on Motions Nos. 26 and 39. I do not think we had an opportunity to move Motions Nos. 26 and 39.

Mr. Deputy Speaker: The advice of the hon. member for Notre-Dame-de-Grâce to the Chair is well taken. We will put Motions Nos. 26 and 39.

Hon. Warren Allmand (Notre-Dame-de-Grâce) moved:

Motion No. 26.

That Bill C-21 be amended in Clause 20 by striking out line 18 at page 15 and substituting the following therefor:

"shall not exceed three per cent of the".

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: The recorded division on the motion stands deferred.

Mr. Allmand: Mr. Speaker, on a point of order, it is my understanding that we simply need to move the three motions and only call the vote on one. You are calling a vote on the three.

Mr. Deputy Speaker: The member is correct again. That is what experience does.

Mrs. Marlene Catterall (Ottawa West) moved:

Motion No. 39.

That Bill C-21 be amended in Clause 48 by striking out lines 12 and 13 at page 31 and substituting the following therefor:

"sion in respect of the services is subject to the provisions of Section 26.2(1)."

Mr. Deputy Speaker: The Chair will propose Motions Nos. 29 and 32 and I will put the question on Motion No. 29.

Hon. Elmer M. MacKay (for the Minister of Employment and Immigration) moved:

Motion No. 29.

That Bill C-21 be amended by adding immediately after line 8 at page 16 the following new clause:

"21. Section 28 of the said Act is amended by adding thereto the following subsection:

"(4) For the purposes of this section "just cause" for voluntarily leaving an employment exists where, having regard to all the circumstances, including any of the circumstances mentioned in paragraphs (a) to (e), the claimant had no reasonable alternative to immediately leaving the employment:

(a) sexual or other harassment;

(b) obligation to accompany a spouse or dependent child to another residence;

(c) discrimination on a prohibited ground of discrimination within the meaning of the *Canadian Human Rights Act*;

(d) working conditions that constitute a danger to health or safety; and

(e) obligation to care for a child.""

• (1800)

Hon. Warren Allmand (Notre-Dame-de-Grâce) moved:

Motion No. 32

That Bill C-21 be amended in Clause 21 by adding immediately after line 27 at page 16 the following:

"(1.3)(a) Before a claimant can be disqualified under Section 28 following a declaration that the claimant has quit an employment for "just cause" there shall be an initial presumption in favour of the claimant and the onus of proof that the claimant has quit without "just cause" should rest with the Commission.

(b) In interpreting Section 28 "just cause" shall include, among others, sexual and other harassment; discrimination, occupational health and safety, child care responsibilities, and accompanying a spouse who is moving to a new job."

Mr. Deputy Speaker: The question is on Motion No. 29. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: The recorded division shall stand deferred.

The next grouping involves Motions Nos. 30, 33 and 34. They will be put to the House and then the questions will be put to the House separately.

Mr. Ron Fisher (Saskatoon—Dundurn) moved:

Motion No. 30

That Bill C-21 be amended in Clause 21 by striking out line 23 at page 16 and substituting the following therefor:

"twelve, but can be amended to a lower number at the discretion of a board of referees."

Motion No. 33

That Bill C-21 be amended in Clause 21 by striking out lines 44 and 45 at page 16 and lines 1 to 7 at page 17.

Mrs. Marlene Catterall (Ottawa West) moved:

Motion No. 34

That Bill C-21 be amended in Clause 21 by adding immediately after line 7 at page 17 the following:

"(4.1) Notwithstanding subsection (4), any portion of a disqualification referred to therein shall be reduced by the number of weeks during which the claimant has worked beyond the number of weeks required to qualify for the benefits."

Mr. Deputy Speaker: The question will be put on the three motions separately. The question is now on Motion No. 30. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: The recorded division shall stand deferred.

The next question is on Motion No. 33. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: The recorded division shall stand deferred.

The next question is on Motion No. 34. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: The recorded division shall stand deferred.

The next grouping includes Motion Nos. 35 and 36 which will be voted on separately.

Mrs. Marlene Catterall (Ottawa West) moved:

Motion No. 35

That Bill C-21 be amended in Clause 25 by striking out lines 5 and 6 at page 20 and substituting the following therefor:

"ered after thirty-six months from the date on which the liability arose unless in the opinion of the Commission an offence under Section 33(1) has been committed therewith, in which case no such amount may be recovered after thirty-six months from the date on which the Commission became aware of the offence."

Mr. Ron Fisher (Saskatoon—Dundurn) moved:

Motion No. 36

That Bill C-21 be amended in Clause 25 by adding immediately after line 11 at page 20 the following:

(6) Any repayment under section 35 shall be appealable under section 79 or 80. When considering repayment, a Board of Referees shall also consider the financial circumstances of the claimant.

Mr. Deputy Speaker: The question is on Motion No. 35. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: The recorded division shall stand deferred.

The question is on Motion No. 36. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: The recorded division shall stand deferred.

The next question is on Motion No. 36A which will be voted on separately.

Ms. Joy Langan (Mission—Coquitlam) moved:

Motion No. 36A.

That Bill C-21 be amended in Clause 26

(a) by striking out lines 20 and 21 at page 20 and substituting the following therefor:

"liable to pay earnings to that claimant in"

(b) by striking out line 33 at page 20

(c) by striking out lines 6 and 7 at page 21 and substituting the following therefor:

"ings in respect of the same period is or"

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: The recorded division shall stand deferred.

Motion No. 37 will be voted on separately.

Mr. Ron Fisher (Saskatoon—Dundurn) moved:

Motion No. 37

That Bill C-21 be amended in Clause 29 by striking out line 25 at page 22 and substituting the following therefor:

"maximum rate of premium that persons employed in".

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

• (1810)

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

And more than five members having risen:

Mr. Deputy Speaker: The recorded division shall stand deferred.

[*Translation*]

Hon. Gilles Loiselle for the Minister of Employment and Immigration moved:

Motion No. 37A.

That Bill C-21 be amended in Clause 31 by adding immediately after line 24 at page 23 the following;

"(2) All that portion of subsection 50(4) of the said Act preceding paragraph (a) thereof is repealed and the following subtituted therefor:

"(4) For the purposes of this section, the Commission may, with the approval of the Governor in Council, make regulations" ".

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: The recorded division on the motion stands deferred.

[*English*]

The question is on Motion No. 40 which will be voted on separately.

Mr. Ron Fisher (Saskatoon—Dundurn) moved:

Motion No. 40

That Bill C-21 be amended in Clause 48 by striking out line 13 at page 31 and substituting the following therefor:

"be costs of administration of this Act; all parties entering into such agreement with the Commission agree to have their performance and financial records reviewed by the Auditor General."

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: The recorded division shall stand deferred.

The next question is on Motion No. 41.

Mr. Ron Fisher (Saskatoon—Dundurn) moved:

Motion No. 41

That Bill C-21 be amended in Clause 56 by striking out line 9 at page 34 and substituting the following therefor:

"come into force on April 17, 1985."

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: The recorded division shall stand deferred. The hon. member for Ottawa West on a point of order.

Mrs. Catterall: I understand that the minister's Motion No. 24A could not be introduced because there was not unanimous consent, although we in the official opposition were prepared to agree to the introduction of an amendment that would have required equity standards in employment opportunities and training in the bill to ensure that the designated groups of the handicapped, women, natives, and visible minorities would have equal access to training programs.

However, I would like to ask if there is unanimous consent of the House to introduce Motion No. 28, which does exactly the same thing and is entirely compatible with the Employment Equity Act and the standards that the government enforces on private employers?

Mr. Deputy Speaker: Is there unanimous consent?

Some Hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent.

I will now propose to the House Motion No. 23, which I should have proposed at an earlier time.

Mr. Ron Fisher (Saskatoon—Dundurn) moved:

Motion No. 23

That Bill C-21 be amended in Clause 20 by striking out lines 36 to 39 at page 14.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: The recorded division shall stand deferred.

The House will now proceed to the taking of the deferred divisions at the report stage of the bill now before the House.

Call in the members.

And the Division bells having rung:

Mr. Deputy Speaker: The first question is on Motion No. 4. The vote on this motion applies to Motion No. 5.

The House divided on Motion No. 4, which was negatived on the following division:

(*Division No. 93*)

YEAS

Members

Allmand	Althouse
Angus	Arseneault
Assad	Axworthy (Saskatoon—Clark's Crossing)
Bellemare	Benjamin
Berger	Black
Blondin	Brewin
Butland	Callbeck
Campbell (South West Nova)	Catterall
Clancy	Comuzzi
Dingwall	Dionne
Ferguson	Fisher
Fontana	Foster
Gauthier	Guarnieri
Harvard	Harvey (Edmonton East)
Heap	Hovdebo
Jordan	Karpoff
Keyes	Kilger (Stormont—Dundas)
Kristiansen	Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacAulay	MacDonald (Dartmouth)
MacLellan	Manley
McGuire	Milliken
Mitchell	Nault
Nystrom	Ouellet
Pagtakhan	Peterson
Pickard	Proud
Rideout	Riis

Robichaud	Robinson
Rocheleau	Rodriguez
Samson	Simmons
Skelly (Comox—Alberni)	Stewart
Stupich	Taylor
Tobin	Volpe
Waddell	Wood
Young (Gloucester)	Young (Beaches—Woodbine)—70

NAYS

Members

Anderson	Atkinson
Beatty	Bertrand
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bosley	Bouchard (Lac-Saint-Jean)
Bourgault	Boyer
Brightwell	Cadieux
Campbell (Vancouver Centre)	Cardiff
Chadwick	Champagne (Champlain)
Chartrand	Clark (Brandon—Souris)
Cole	Collins
Cook	Côté
Couture	Crosby (Halifax West)
DeBlois	de Cotret
Desjardins	Dick
Domm	Dorin
Duplessis	Edwards
Fee	Feltham
Friesen	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hogue
Holtmann	Horner
Horning	James
Johnson	Jourdenais
Kempling	Kilgour (Edmonton Southeast)
Koury	Landry
Langlois	Layton
Leblanc (Longueuil)	Lewis
Littlechild	Loiselle
Lopez	MacDougall (Timiskaming)
MacKay	Martin (Lincoln)
Masse	Mayer
Mazankowski	McCreath
McDermid	McDougall (St. Paul's)
Monteith	Moore
Nicholson	Oberle
Paproski	Plamondon
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Richardson	Robitaille
St-Julien	Schneider
Shields	Siddon
Soetens	Sparrow
Stevenson	Tardif
Thompson	Tremblay (Rosemont)
Turner (Halton—Peel)	Venne
Vézina	Vien
Vincent	Weiner
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Winegard	Worthy—105

Mr. Deputy Speaker: I declare the motion lost. I therefore declare Motion No. 5 lost on recorded division. The next question is on Motion No. 6.

During the taking of the vote

Mr. Deputy Speaker: On a point of order, the member for Kamloops. The Chair would just like to know if the member for Kamloops is rising in favour of the motion or opposed to the motion.

Mr. Riis: Mr. Speaker, I wanted to make that clear. I think I was asleep at the switch. We are actually voting in favour of the government motion.

• (1850)

Mr. Deputy Speaker: Since the Chair had already called for those opposed to the motion, the only way that we could come back to those voting for the motion would be if there was unanimous consent.

Some Hon. Members: No.

Mr. Deputy Speaker: Are there any more nays?

The House divided on Motion No. 6, which was agreed to on the following division:

(*Division No. 94*)

YEAS

Members

Anderson	Atkinson
Bertrand	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bouchard (Lac-Saint-Jean)	Bourgault
Boyer	Brightwell
Cadieux	Campbell (Vancouver Centre)
Cardiff	Chadwick
Champagne (Champlain)	Chartrand
Clark (Brandon—Souris)	Cole
Collins	Cook
Côté	Couture
Crosby (Halifax West)	DeBlois
de Cotret	Desjardins
Dick	Domm
Dorin	Duplessis
Edwards	Fee
Feltham	Friesen
Gérin	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hogue
Holtmann	Horner
Horning	James
Johnson	Jourdenais
Kempling	Kilgour (Edmonton Southeast)
Koury	Landry
Langlois	Layton
Leblanc (Longueuil)	Lewis
Littlechild	Loiselle
Lopez	MacDougall (Timiskaming)
MacKay	Martin (Lincoln)
Masse	Mayer
Mazankowski	McCreath
McDermid	McDougall (St. Paul's)
Monteith	Moore
Nicholson	Oberle
Paproski	Plamondon
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Richardson	Robitaille
St-Julien	Schneider
Shields	Siddon

Soetens
Stevenson
Thompson
Turner (Halton—Peel)
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard
Sparrow
Tardif
Tremblay (Rosemont)
Venne
Vien
Weiner
Wilbee
Worthy—105

NAYS

Members

Allmand
Assad
Berger
Campbell (South West Nova)
Comuzzi
Dionne
Fontana
Gauthier
Jordan
Kilger (Stormont—Dundas)
Lee
MacDonald (Dartmouth)
Manley
Milliken
Ouellet
Peterson
Rideout
Rocheleau
Stewart
Volpe
Young (Gloucester)—41
Arseneault
Bellemare
Blondin
Clancy
Dingwall
Ferguson
Foster
Harvard
Keyes
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan
McGuire
Nault
Pagtakhan
Proud
Robichaud
Simmons
Tobin
Wood

Mr. Deputy Speaker: I declare the motion carried.

The next question is on Motion No. 7. A vote on this motion applies to Motion No. 10.

The House divided on Motion No. 7, which was negatived on the following division:

(*Division No. 95*)

YEAS

Members

Allmand
Angus
Axworthy (Saskatoon—Clark's Crossing)
Berger
Blondin
Callbeck
Clancy
Dingwall
Ferguson
Fontana
Gauthier
Harvey (Edmonton East)
Hovdebo
Karpoff
Kilger (Stormont—Dundas)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan
Milliken
Nault
Ouellet
Peterson
Proud
Riis
Robinson
Rodriguez
Skelly (Comox—Alberni)
Stupich
Volpe
Wood
Althouse
Arseneault
Bellemare
Black
Brewin
Campbell (South West Nova)
Comuzzi
Dionne
Fisher
Foster
Harvard
Heap
Jordan
Keyes
Kristiansen
Lee
MacDonald (Dartmouth)
McGuire
Mitchell
Nystrom
Pagtakhan
Pickard
Rideout
Robichaud
Rocheleau
Simmons
Stewart
Taylor
Waddell
Young (Gloucester)
Young (Beaches—Woodbine)—61

NAYS

Members

Blackburn (Jonquière)
Blenkarn
Bouchard (Lac-Saint-Jean)
Boyer
Cadieux
Cardiff
Chartrand
Collins
Crosby (Halifax West)
Desjardins
Domm
Duplessis
Fee
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Halliday
Hawkes
Horner
James
Jourdenais
Kilgour (Edmonton Southeast)
Landry
Layton
Lewis
Loiselle
MacDougall (Timiskaming)
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
Moore
Oberle
Plamondon
Pronovost
Reid
Richardson
St-Julien
Shields
Soetens
Stevenson
Thompson
Turner (Halton—Peel)
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard
Blais
Bosley
Bourgault
Brightwell
Campbell (Vancouver Centre)
Champagne (Champlain)
Clark (Brandon—Souris)
Cook
de Cotret
Dick
Dorin
Edwards
Feltham
Gérin
Gustafson
Harvey (Chicoutimi)
Holtmann
Horning
Johnson
Kempling
Koury
Langlois
Leblanc (Longueuil)
Littlechild
Lopez
MacKay
Masse
Mazankowski
McDermid
Monteith
Nicholson
Paproski
Porter
Redway
Reimer
Robitaille
Schneider
Siddon
Sparrow
Tardif
Tremblay (Rosemont)
Venne
Vien
Weiner
Wilbee
Worthy—93

Mr. Deputy Speaker: I declare the motion lost. I therefore declare Motion No. 10 lost on recorded division.

[*Translation*]

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

Mr. Deputy Speaker: The hon. member for Ottawa—Vanier on a point of order.

Mr. Gauthier: Mr. Speaker, we have a standing order that is quite clear about the fact that a member who wants to vote here in the House must hear the question. I notice a number of government members are leaving right now. If they didn't hear the question, they will not be able to vote, and we will object to their voting.

[*English*]

Mr. Deputy Speaker: The next question is on Motion No. 12.

The House divided on Motion No. 12, which was negatived on the following division:

(*Division No. 96*)

YEAS

Members

Allmand	Althouse
Angus	Arseneault
Assad	Axworthy (Saskatoon—Clark's Crossing)
Bellemare	Berger
Callbeck	Campbell (South West Nova)
Clancy	Comuzzi
Dingwall	Dionne
Ferguson	Fisher
Fontana	Foster
Gauthier	Harvard
Harvey (Edmonton East)	Hovdebo
Jordan	Karpoff
Keyes	Kilger (Stormont—Dundas)
Kristiansen	LeBlanc (Cape Breton Highlands—Canso)
Lee	MacAulay
MacDonald (Dartmouth)	MacLellan
McGuire	Mitchell
Nault	Ouellet
Pagtakhan	Peterson
Pickard	Proud
Rideout	Riis
Robichaud	Rocheleau
Rodriguez	Simmons
Skelly (Comox—Alberni)	Stewart
Stupich	Taylor
Volpe	Wood—52

NAYS

Members

Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bouchard (Lac-Saint-Jean)	Bourgault
Boyer	Brightwell
Cadieux	Campbell (Vancouver Centre)
Cardiff	Champagne (Champlain)
Clark (Brandon—Souris)	Collins
Crosby (Halifax West)	de Cotret
Desjardins	Dick
Domm	Dorin
Duplessis	Edwards
Fee	Feltham
Friesen	Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Holtmann
Horner	Horning
James	Jourdenais
Kempling	Kilgour (Edmonton Southeast)
Landry	Layton
Leblanc (Longueuil)	Lewis
Littlechild	Loiselle
Lopez	MacDougall (Timiskaming)
MacKay	Martin (Lincoln)
Masse	Mayer
Mazankowski	McCreath
McDermid	McDougall (St. Paul's)
Monteith	Moore
Nicholson	Oberle
Paproski	Plamondon
Porter	Pronovost
Redway	Reid
Reimer	Richardson
Robitaille	St-Julien
Schneider	Shields
Siddon	Soetens
Sparrow	Stevenson
Tardif	Thompson
Tremblay (Rosemont)	Turner (Halton—Peel)
Venne	Vézina
Vien	Vincent
Weiner	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard	Worthy—88

• (1900)

Mr. Deputy Speaker: I declare the motion lost.

The next question is on Motion No. 13.

The House divided on Motion No. 13, which was negatived on the following division:

(*Division No. 97*)

YEAS

Members

Allmand	Althouse
Angus	Arseneault
Assad	Axworthy (Saskatoon—Clark's Crossing)
Bellemare	Brewin
Callbeck	Campbell (South West Nova)
Clancy	Comuzzi
Dingwall	Dionne
Ferguson	Fisher
Fontana	Gauthier
Harvard	Harvey (Edmonton East)
Hovdebo	Jordan
Keyes	Kilger (Stormont—Dundas)
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacAulay	MacDonald (Dartmouth)
MacLellan	McGuire
Mitchell	Nault
Ouellet	Pagtakhan
Peterson	Pickard
Rideout	Riis
Robichaud	Robinson
Rocheleau	Rodriguez
Simmons	Skelly (Comox—Alberni)
Stewart	Stupich
Taylor	Volpe
Wood—49	

NAYS

Members

Atkinson	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bouchard (Lac-Saint-Jean)	Bourgault
Boyer	Brightwell
Cadieux	Campbell (Vancouver Centre)
Cardiff	Champagne (Champlain)
Clark (Brandon—Souris)	Cole
Collins	Crosby (Halifax West)
DeBlois	de Cotret
Desjardins	Dick
Dorin	Duplessis
Edwards	Fee
Friesen	Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Holtmann
Horning	James

Jourdenais
Kilgour (Edmonton Southeast)
Layton
Lewis
Loiselle
MacDougall (Timiskaming)
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
Moore
Oberle
Plamondon
Pronovost
Reid
Richardson
St-Julien
Shields
Soetens
Stevenson
Thompson
Turner (Halton—Peel)
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard—88

Kempling
Landry
Leblanc (Longueuil)
Littlechild
Lopez
MacKay
Masse
Mazankowski
McDermid
Monteith
Nicholson
Paproski
Porter
Redway
Reimer
Robitaille
Schneider
Siddon
Sparrow
Tardif
Tremblay (Rosemont)
Venne
Vien
Weiner
Wilbee

Mr. Deputy Speaker: I declare the motion lost.

The next question is on Motion No. 14.

The House divided on Motion No. 14, which was negatived on the following division:

(Division No. 98)

YEAS

Members

Allmand
Axworthy (Saskatoon—Clark's Crossing)
Brewin
Campbell (South West Nova)
Comuzzi
Ferguson
Fontana
Harvard
Hovdebo
Keyes
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan
Nault
Pagtakhan
Pickard
Riis
Robinson
Rodriguez
Stewart
Taylor
Wood

Assad
Bellemare
Callbeck
Clancy
Dionne
Fisher
Gauthier
Harvey (Edmonton East)
Jordan
Kilger (Stormont—Dundas)
Lee
MacDonald (Dartmouth)
McGuire
Ouellet
Peterson
Rideout
Robichaud
Rocheleau
Simmons
Stupich
Volpe
Young (Gloucester)—44

NAYS

Members

Atkinson
Bjornson
Blais
Bosley
Bourgault
Brightwell
Cardiff
Clark (Brandon—Souris)
Collins
Crosby (Halifax West)

Bertrand
Blackburn (Jonquière)
Blenkarn
Bouchard (Lac-Saint-Jean)
Boyer
Campbell (Vancouver Centre)
Champagne (Champlain)
Cole
Côté
DeBlois

de Cotret
Dick
Duplessis
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Halliday
Holtmann
James
Kempling
Landry
Layton
Lopez
MacKay
Masse
Mazankowski
McDermid
Monteith
Nicholson
Paproski
Redway
Reimer
Robitaille
Schneider
Siddon
Sparrow
Tardif
Tremblay (Rosemont)
Venne
Vien
Weiner
Wilbee
Assiniboia)

Desjardins
Dorin
Fee
Gérin
Gustafson
Hawkes
Horning
Jourdenais
Kilgour (Edmonton Southeast)
Langlois
Lewis
MacDougall (Timiskaming)
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
Moore
Oberle
Porter
Reid
Richardson
St-Julien
Shields
Soetens
Stevenson
Thompson
Turner (Halton—Peel)
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—
Winegard—83

Mr. Deputy Speaker: I declare the motion lost.

The next question is on Motion No. 15. A vote on this motion applies to Motions Nos. 16 and 18.

The House divided on Motion No. 15, which was negatived on the following division:

(Division No. 99)

YEAS

Members

Allmand
Angus
Assad
Bellemare
Callbeck
Dionne
Fisher
Gauthier
Harvey (Edmonton East)
Hovdebo
Karpoff
Kilger (Stormont—Dundas)
Lee
Ouellet
Peterson
Rideout
Robichaud
Rocheleau
Stupich
Volpe
Young (Beaches—Woodbine)—41

Althouse
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Brewin
Comuzzi
Ferguson
Fontana
Harvard
Heap
Jordan
Keyes
LeBlanc (Cape Breton Highlands—Canso)
Nault
Pagtakhan
Pickard
Riis
Robinson
Stewart
Taylor
Young (Gloucester)

NAYS

Members

Anderson
Bertrand
Blais
Bouchard (Lac-Saint-Jean)

Atkinson
Bjornson
Bosley
Bourgault

Brightwell	Campbell (Vancouver Centre)
Cardiff	Chadwick
Champagne (Champlain)	Clark (Brandon—Souris)
Cole	Collins
Côté	Crosby (Halifax West)
DeBlois	de Cotret
Desjardins	Dick
Domm	Dorin
Duplessis	Fee
Feltham	Friesen
Gérin	Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hogue	Horner
James	Jourdenais
Kempling	Kilgour (Edmonton Southeast)
Koury	Landry
Langlois	Layton
Lewis	Lopez
MacDougall (Timiskaming)	MacKay
Martin (Lincoln)	Masse
Mayer	Mazankowski
McCreath	McDermid
McDougall (St. Paul's)	Monteith
Moore	Nicholson
Oberle	Paproski
Porter	Redway
Reid	Reimer
Richardson	Robitaille
St-Julien	Schneider
Shields	Siddon
Soetens	Sparrow
Stevenson	Tardif
Thompson	Tremblay (Rosemont)
Turner (Halton—Peel)	Venne
Vézina	Vien
Vincent	Weiner
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Winegard—86	

Mr. Deputy Speaker: I declare the motion lost. I therefore declare Motions Nos. 16 and 18 lost on recorded division.

Mr. Hawkes: Mr. Speaker, I do not think there is any responsibility more onerous on members than the casting of a vote in division. I have some doubts about the wisdom of standing up 24 times, but when the results of the last vote were announced, there was a total of 38 members present in the chamber on the opposition side and I suspect that there were fewer members on our side than the vote count would indicate.

If we fall into sloppy habits in relation to votes, we could get the House and the integrity of Parliament into trouble down the road. I would suggest that members should be present in the chamber to hear the motion read and they should remain in the chamber until the vote is announced or they should not vote.

I would hope that on all sides of the House we might respect that set of principles so that we can have clarity on the results of the votes.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The next question is on Motion No. 20.

The House divided on Motion No. 20, which was negatived on the following division:

(Division No. 100)

YEAS

Members

Allmand	Althouse
Angus	Arseneault
Assad	Axworthy (Saskatoon—Clark's Crossing)
Bellemare	Comuzzi
Dionne	Ferguson
Fisher	Gauthier
Harvard	Harvey (Edmonton East)
Heap	Karpoff
Keyes	Kilger (Stormont—Dundas)
Kristiansen	LeBlanc (Cape Breton Highlands—Canso)
Lee	McGuire
Nault	Ouellet
Pagtakhan	Peterson
Pickard	Rideout
Riis	Robichaud
Robinson	Rocheleau
Stewart	Taylor
Wood	Young (Gloucester)
Young (Beaches—Woodbine)—37	

NAYS

Members

Anderson	Atkinson
Bertrand	Bjornson
Blackburn (Jonquière)	Blais
Bouchard (Lac-Saint-Jean)	Bourgault
Campbell (Vancouver Centre)	Cardiff
Chadwick	Champagne (Champlain)
Clark (Brandon—Souris)	Cole
Collins	Cook
Côté	Couture
Crosby (Halifax West)	DeBlois
de Cotret	Desjardins
Dick	Domm
Dorin	Duplessis
Fee	Feltham
Friesen	Gérin
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Halliday	Hawkes
Hogue	Horner
James	Johnson
Jourdenais	Kempling
Kilgour (Edmonton Southeast)	Koury
Landry	Langlois
Layton	Leblanc (Longueuil)
Lewis	Lopez
MacKay	Martin (Lincoln)
Masse	Mayer
Mazankowski	McCreath
McDermid	McDougall (St. Paul's)
Monteith	Moore
Nicholson	Oberle
Paproski	Porter
Pronovost	Redway
Reid	Reimer
Richardson	Robitaille
St-Julien	Schneider
Shields	Siddon
Soetens	Sparrow
Tardif	Thompson
Turner (Halton—Peel)	Vézina
Vincent	Weiner

White
Wilson (Swift Current—Maple Creek—Assiniboia)
Worthy—83

Mr. Deputy Speaker: I declare the motion lost.

• (1930)

The next question is on Motion No. 21. A vote on this motion applies to Motion No. 23.

The House divided on Motion No. 21, which was negatived on the following division:

(*Division No. 101*)

YEAS

Members

Allmand
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Brewin
Comuzzi
Ferguson
Gauthier
Karpoff
Kilger (Stormont—Dundas)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
Nault
Pagtakhan
Pickard
Riis
Robinson
Skelly (Comox—Alberni)
Wood
Angus
Assad
Bellemare
Callbeck
Dionne
Fisher
Heap
Keyes
Kristiansen
Lee
McGuire
Ouellet
Peterson
Rideout
Robichaud
Rocheleau
Stewart
Young (Beaches—Woodbine)—36

NAYS

Members

Anderson
Bertrand
Blackburn (Jonquière)
Bourgault
Chadwick
Clark (Brandon—Souris)
Collins
Côté
Crosby (Halifax West)
de Cotret
Dick
Dorin
Feltham
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Hawkes
Holtmann
James
Kempling
Koury
Langlois
Leblanc (Longueuil)
Lopez
MacKay
Masse
Mazankowski
McDermid
Monteith
Oberle
Plamondon
Pronovost
Reimer
Robitaille
Schneider
Soetens
Atkinson
Bjornson
Bouchard (Lac-Saint-Jean)
Cardiff
Champagne (Champlain)
Cole
Cook
Couture
DeBlois
Desjardins
Domm
Fee
Friesen
Gibeau
Halliday
Hogue
Horner
Johnson
Kilgour (Edmonton Southeast)
Landry
Layton
Lewis
MacDougall (Timiskaming)
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
Moore
Paproski
Porter
Redway
Richardson
St-Julien
Siddon
Sparrow
Tardif
Vézina
Weiner
Wilson (Swift Current—Maple Creek—Assiniboia)
Worthy—78
Turner (Halton—Peel)
Vincent
White

Mr. Deputy Speaker: I declare the motion lost. I therefore declare Motion No. 23 lost on recorded division.

The next question is on Motion No. 22.

The House divided on Motion No. 22, which was negatived on the following division:

(*Division No. 102*)

YEAS

Members

Allmand
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Brewin
Clancy
Dionne
Fisher
Harvard
Karpoff
Kilger (Stormont—Dundas)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan
Ouellet
Pickard
Rideout
Robinson
Rodriguez
Skelly (Comox—Alberni)
Volpe
Young (Beaches—Woodbine)—41
Angus
Assad
Bellemare
Callbeck
Comuzzi
Ferguson
Gauthier
Heap
Keyes
Kristiansen
Lee
MacDonald (Dartmouth)
McGuire
Pagtakhan
Proud
Riis
Rocheleau
Simmons
Stupich
Wood

NAYS

Members

Anderson
Bertrand
Blackburn (Jonquière)
Bouchard (Lac-Saint-Jean)
Brightwell
Clark (Brandon—Souris)
Collins
Côté
Crosby (Halifax West)
de Cotret
Dick
Fee
Friesen
Gibeau
Halliday
Hogue
Horner
James
Kempling
Koury
Langlois
Leblanc (Longueuil)
Lopez
MacKay
Masse
Mazankowski
McDermid
Moore
Paproski
Porter
Atkinson
Bjornson
Bosley
Bourgault
Chadwick
Cole
Cook
Couture
DeBlois
Desjardins
Edwards
Feltham
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Hawkes
Holtmann
Horning
Johnson
Kilgour (Edmonton Southeast)
Landry
Layton
Lewis
MacDougall (Timiskaming)
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
Oberle
Plamondon
Pronovost

Redway
Richardson
Schneider
Sparrow
Thompson
Vézina
Weiner
Wilbee
Assiniboia)
Reimer
St-Julien
Siddon
Tardif
Turner (Halton—Peel)
Vien
White
Wilson (Swift Current—Maple Creek—
Worthy—77

Mr. Deputy Speaker: I declare the motion lost.

The next question is on Motion No. 25. A vote on this motion applies to Motions Nos. 26 and 39.

The House divided on Motion No. 25, which was negatived on the following division:

(Division No. 103)

YEAS

Members

Allmand
Angus
Assad
Bellemare
Callbeck
Comuzzi
Ferguson
Fontana
Harvard
Heap
Karpoff
Kilger (Stormont—Dundas)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan
Nault
Pagtakhan
Pickard
Rideout
Rocheleau
Simmons
Taylor
Wood
Althouse
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Brewin
Clancy
Dionne
Fisher
Gauthier
Harvey (Edmonton East)
Hovdebo
Keyes
Kristiansen
Lee
MacDonald (Dartmouth)
McGuire
Ouellet
Peterson
Proud
Robichaud
Rodriguez
Stupich
Volpe
Young (Beaches —Woodbine)—46

NAYS

Members

Anderson
Bertrand
Blackburn (Jonquière)
Bouchard (Lac-Saint-Jean)
Boyer
Campbell (Vancouver Centre)
Chadwick
Cole
Cook
Couture
DeBlois
Desjardins
Dorin
Fee
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Halliday
Hawkes
Holtmann
Horning
Johnson
Kilgour (Edmonton Southeast)
Landry
Layton
Lewis
Atkinson
Bjornson
Bosley
Bourgault
Brightwell
Cardiff
Clark (Brandon—Souris)
Collins
Côté
Crosby (Halifax West)
de Cotret
Dick
Edwards
Feltham
Gibeau
Gustafson
Harvey (Chicoutimi)
Hogue
Horner
James
Kempling
Koury
Langlois
Leblanc (Longueuil)
Lopez
MacDougall (Timiskaming)
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
Moore
Oberle
Plamondon
Pronovost
Reid
St-Julien
Shields
Sparrow
Turner (Halton—Peel)
Vézina
Weiner
Wilbee
Assiniboia)
Worthy—86
MacKay
Masse
Mazankowski
McDermid
Monteith
Nicholson
Paproski
Porter
Redway
Reimer
Schneider
Siddon
Tardif
Venne
Vien
White
Wilson (Swift Current—Maple Creek—
Winegard

Mr. Deputy Speaker: I declare the motion lost. I therefore declare Motions Nos. 26 and 39 lost on recorded division.

The next question is on Motion No. 29.

The House divided on Motion No. 29, which was agreed to on the following division:

(Division No. 104)

YEAS

Members

Althouse
Angus
Axworthy (Saskatoon—Clark's Crossing)
Bjornson
Bosley
Brewin
Campbell (Vancouver Centre)
Chadwick
Cole
Côté
Crosby (Halifax West)
de Cotret
Dick
Dorin
Fee
Fisher
Gibeau
Gustafson
Harvey (Chicoutimi)
Hawkes
Hogue
Horner
Hovdebo
Johnson
Kempling
Koury
Landry
Layton
Lewis
Lopez
MacKay
Masse
Mazankowski
McDermid
Monteith
Nicholson
Plamondon
Pronovost
Reid
Rodriguez
Schneider
Siddon
Sparrow
Tardif
Thompson
Anderson
Atkinson
Bertrand
Blackburn (Jonquière)
Boyer
Brightwell
Cardiff
Clark (Brandon—Souris)
Collins
Couture
DeBlois
Desjardins
Domm
Edwards
Feltham
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Halliday
Harvey (Edmonton East)
Heap
Holtmann
Horning
James
Karpoff
Kilgour (Edmonton Southeast)
Kristiansen
Langlois
Leblanc (Longueuil)
Littlechild
MacDougall (Timiskaming)
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
Moore
Paproski
Porter
Redway
Reimer
St-Julien
Shields
Soetens
Stupich
Taylor
Turner (Halton—Peel)

Venne
Vien
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard
Young (Beaches—Woodbine)—100
Vézina
Weiner
Wilbee
Worthy

NAYS

Members

Allmand
Bellemare
Comuzzi
Fontana
Harvard
Kilger (Stormont—Dundas)
MacDonald (Dartmouth)
McGuire
Ouellet
Pickard
Rideout
Rocheleau
Volpe
Arseneault
Clancy
Dionne
Gauthier
Keyes
MacAulay
MacLellan
Nault
Peterson
Proud
Robichaud
Simmons
Wood—26

Mr. Deputy Speaker: I declare the motion carried.

The next question is on Motion No. 30.

The House divided on Motion No. 30, which was negatived on the following division:

(*Division No. 105*)

YEAS

Members

Allmand
Angus
Assad
Bellemare
Clancy
Dionne
Fontana
Harvard
Heap
Keyes
Kristiansen
MacDonald (Dartmouth)
McGuire
Ouellet
Peterson
Proud
Robichaud
Rocheleau
Simmons
Taylor
Wood—41
Althouse
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Brewin
Comuzzi
Fisher
Gauthier
Harvey (Edmonton East)
Hovdebo
Kilger (Stormont—Dundas)
MacAulay
MacLellan
Nault
Pagtakhan
Pickard
Rideout
Robinson
Rodriguez
Stupich
Volpe

NAYS

Members

Anderson
Bertrand
Blackburn (Jonquière)
Boyer
Campbell (Vancouver Centre)
Chadwick
Cole
Cook
Couture
DeBlois
Desjardins
Domm
Edwards
Feltham
Atkinson
Bjornson
Bosley
Brightwell
Cardiff
Clark (Brandon—Souris)
Collins
Côté
Crosby (Halifax West)
de Cotret
Dick
Dorin
Fee
Gérin
Gibeau
Gustafson
Harvey (Chicoutimi)
Hogue
Horning
Johnson
Kilgour (Edmonton Southeast)
Langlois
Leblanc (Longueuil)
Littlechild
MacKay
Mayer
McCreath
McDougall (St. Paul's)
Moore
Paproski
Porter
Redway
Reimer
Schneider
Soetens
Thompson
Venne
Weiner
Wilbee
Assiniboia)
Worthy—80
Gray (Bonaventure—Îles-de-la-Madeleine)
Halliday
Hawkes
Holtmann
James
Kempling
Koury
Layton
Lewis
Lopez
Martin (Lincoln)
Mazankowski
McDermid
Monteith
Nicholson
Plamondon
Pronovost
Reid
St-Julien
Shields
Sparrow
Turner (Halton—Peel)
Vien
White
Wilson (Swift Current—Maple Creek—
Winegard

Mr. Deputy Speaker: I declare the motion lost.

• (2000)

Mr. Hawkes: Mr. Speaker, I wonder if there might be a disposition in the chamber to apply the vote that was just taken to the next two motions, Motions Nos. 33 and 24, and in exchange give all members a five minute adjournment to attend to obvious necessities which might give us all a little comfort.

Mr. Deputy Speaker: Is there unanimous consent?

Some Hon. Members: No.

Mr. Riis: Mr. Speaker, I appreciate the generous offer of my hon. friend. However, I think the fact that since this government has used some form of closure more than any other government in history it is important we stand to be counted.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The next question is on Motion No. 33.

The House divided on Motion No. 33, which was negatived on the following division:

(*Division No. 106*)

YEAS

Members

Allmand
Angus
Assad
Bellemare
Clancy
Dionne
Fisher
Gauthier
Harvey (Edmonton East)
Hovdebo
Kilger (Stormont—Dundas)
MacAulay
Althouse
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Brewin
Comuzzi
Ferguson
Fontana
Harvard
Heap
Keyes
Kristiansen
MacDonald (Dartmouth)

MacLellan
Nault
Pagtakhan
Proud
Riis
Robinson
Rodriguez
Stewart
Taylor
Young (Beaches—Woodbine)—43

McGuire
Ouellet
Peterson
Rideout
Robichaud
Rocheleau
Simmons
Stupich
Wood

NAYS

Members

Anderson
Bertrand
Blackburn (Jonquière)
Boyer
Campbell (Vancouver Centre)
Chadwick
Clark (Brandon—Souris)
Collins
Côté
DeBlois
Dick
Dorin
Fee
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Halliday
Hawkes
Horning
Johnson
Kilgour (Edmonton Southeast)
Langlois
Lewis
Lopez
MacKay
Mayer
McCreath
McDougall (St. Paul's)
Moore
Paproski
Porter
Redway
Reimer
St-Julien
Shields
Sparrow
Turner (Halton—Peel)
Vien
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard

Atkinson
Bjornson
Bosley
Brightwell
Cardiff
Champagne (Champlain)
Cole
Cook
Crosby (Halifax West)
Desjardins
Domm
Edwards
Feltham
Gibeau
Gustafson
Harvey (Chicoutimi)
Hogue
James
Kempling
Koury
Leblanc (Longueuil)
Littlechild
MacDougall (Timiskaming)
Martin (Lincoln)
Mazankowski
McDermid
Monteith
Nicholson
Plamondon
Pronovost
Reid
Robitaille
Schneider
Soetens
Thompson
Venne
Weiner
Wilbee
Worthy—79

Mr. Deputy Speaker: I declare the motion lost.

The next question is on Motion No. 34.

The House divided on Motion No. 34, which was negatived on the following division:

(*Division No. 107*)

YEAS

Members

Allmand
Arseneault
Brewin
Comuzzi
Ferguson
Fontana
Harvard
Heap
Keyes
Kristiansen
Lee

Althouse
Bellemare
Clancy
Dionne
Fisher
Gauthier
Harvey (Edmonton East)
Hovdebo
Kilger (Stormont—Dundas)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay

MacDonald (Dartmouth)
McGuire
Ouellet
Peterson
Rideout
Robichaud
Rocheleau
Simmons
Stupich
Volpe
Young (Beaches—Woodbine)—43

MacLellan
Nault
Pagtakhan
Pickard
Riis
Robinson
Rodriguez
Stewart
Taylor
Wood

NAYS

Members

Anderson
Bertrand
Bosley
Boyer
Campbell (Vancouver Centre)
Chadwick
Clark (Brandon—Souris)
Collins
Couture
DeBlois
Desjardins
Dorin
Fee
Gibeau
Gustafson
Harvey (Chicoutimi)
Hogue
Horner
James
Kempling
Koury
Leblanc (Longueuil)
Littlechild
MacDougall (Timiskaming)
Martin (Lincoln)
Mazankowski
McDougall (St. Paul's)
Nicholson
Paproski
Porter
Redway
Reimer
Robitaille
Schneider
Soetens
Thompson
Turner (Halton—Peel)
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard

Atkinson
Bjornson
Bouchard (Lac-Saint-Jean)
Brightwell
Cardiff
Champagne (Champlain)
Cole
Côté
Crosby (Halifax West)
de Cotret
Dick
Edwards
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Halliday
Hawkes
Holtmann
Horning
Johnson
Kilgour (Edmonton Southeast)
Langlois
Lewis
Lopez
MacKay
Mayer
McDermid
Monteith
Oberle
Plamondon
Pronovost
Reid
Richardson
St-Julien
Shields
Sparrow
Tremblay (Rosemont)
Venne
Vien
Weiner
Wilbee
Worthy—83

Mr. Deputy Speaker: I declare the motion lost.

The next question is on Motion No. 35.

The House divided on Motion No. 35, which was negatived on the following division:

(*Division No. 108*)

YEAS

Members

Allmand
Arseneault
Bellemare
Clancy
Dionne
Fisher
Harvard
Heap

Althouse
Assad
Brewin
Comuzzi
Ferguson
Gauthier
Harvey (Edmonton East)
Hovdebo

Keyes
Kristiansen
Lee
MacDonald (Dartmouth)
McGuire
Ouellet
Peterson
Proud
Riis
Robinson
Rodriguez
Stewart
Taylor
Wood
Kilger (Stormont—Dundas)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan
Nault
Pagtakhan
Pickard
Rideout
Robichaud
Rocheleau
Simmons
Stupich
Volpe
Young (Beaches —Woodbine)—44

NAYS

Members

Anderson
Bertrand
Bosley
Bourgault
Brightwell
Cardiff
Champagne (Champlain)
Cole
Côté
Crosby (Halifax West)
de Cotret
Dick
Edwards
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Halliday
Hogue
Horner
James
Kilgour (Edmonton Southeast)
Landry
Leblanc (Longueuil)
Littlechild
MacDougall (Timiskaming)
Martin (Lincoln)
Mazankowski
McDougall (St. Paul's)
Moore
Oberle
Plamondon
Pronovost
Reid
Richardson
St-Julien
Shields
Sparrow
Thompson
Turner (Halton—Peel)
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard—84
Atkinson
Bjornson
Bouchard (Lac-Saint-Jean)
Boyer
Campbell (Vancouver Centre)
Chadwick
Clark (Brandon—Souris)
Collins
Couture
DeBlois
Desjardins
Dorin
Fee
Gibeau
Gustafson
Hawkes
Holtmann
Horning
Kempling
Koury
Langlois
Lewis
Lopez
MacKay
Mayer
McDermid
Monteith
Nicholson
Paproski
Porter
Redway
Reimer
Robitaille
Schneider
Soetens
Tardif
Tremblay (Rosemont)
Venne
Vien
Weiner
Wilbee

Mr. Deputy Speaker: I declare the motion lost.

The next question is on Motion No. 36.

The House divided on Motion No. 36, which was negatived on the following division:

(*Division No. 109*)

YEAS

Members

Allmand
Angus
Axworthy (Saskatoon—Clark's Crossing)
Clancy
Dionne
Althouse
Arseneault
Bellemare
Comuzzi
Ferguson
Fisher
Gauthier
Harvey (Edmonton East)
Hovdebo
Kilger (Stormont—Dundas)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan
Nault
Pagtakhan
Pickard
Rideout
Robichaud
Rocheleau
Simmons
Stupich
Volpe
Young (Beaches —Woodbine)—45
Fontana
Harvard
Heap
Keyes
Kristiansen
Lee
MacDonald (Dartmouth)
McGuire
Ouellet
Peterson
Proud
Riis
Robinson
Rodriguez
Stewart
Taylor
Wood

NAYS

Members

Anderson
Bertrand
Blackburn (Jonquière)
Bosley
Bourgault
Brightwell
Cardiff
Champagne (Champlain)
Cole
Cook
Couture
DeBlois
Desjardins
Dorin
Fee
Gibeau
Gustafson
Hogue
Horner
James
Kilgour (Edmonton Southeast)
Langlois
Lewis
Lopez
MacKay
McCreath
McDougall (St. Paul's)
Moore
Oberle
Plamondon
Pronovost
Reid
Robitaille
Schneider
Soetens
Tardif
Tremblay (Rosemont)
Venne
Vien
Weiner
Wilbee
Assiniboia)
Worthy—84
Atkinson
Bjornson
Blais
Bouchard (Lac-Saint-Jean)
Boyer
Campbell (Vancouver Centre)
Chadwick
Clark (Brandon—Souris)
Collins
Côté
Crosby (Halifax West)
de Cotret
Dick
Edwards
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Hawkes
Holtmann
Horning
Kempling
Landry
Leblanc (Longueuil)
Littlechild
MacDougall (Timiskaming)
Mazankowski
McDermid
Monteith
Nicholson
Paproski
Porter
Redway
Richardson
St-Julien
Shields
Sparrow
Thompson
Turner (Halton—Peel)
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—
Winegard

Mr. Deputy Speaker: I declare the motion lost.

The next question is on Motion No. 36A.

The House divided on Motion No. 36A, which was negatived on the following division:

(*Division No. 110*)

YEAS

Members

Allmand	Althouse
Angus	Arseneault
Assad	Axworthy (Saskatoon—Clark's Crossing)
Bellemare	Brewin
Clancy	Comuzzi
Dionne	Ferguson
Fisher	Fontana
Gauthier	Harvard
Harvey (Edmonton East)	Heap
Hovdebo	Keyes
Kilger (Stormont—Dundas)	Kristiansen
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacAulay	MacDonald (Dartmouth)
MacLellan	McGuire
Nault	Ouellet
Pagtakhan	Peterson
Pickard	Proud
Rideout	Riis
Robichaud	Rocheleau
Rodriguez	Stewart
Taylor	Volpe
Wood	Young (Beaches—Woodbine)—44

NAYS

Members

Anderson	Atkinson
Bertrand	Bjornson
Blackburn (Jonquière)	Blais
Bosley	Bouchard (Lac-Saint-Jean)
Bourgault	Boyer
Brightwell	Campbell (Vancouver Centre)
Cardiff	Chadwick
Champagne (Champlain)	Clark (Brandon—Souris)
Cole	Collins
Cook	Côté
Couture	Crosby (Halifax West)
DeBlois	de Cotret
Desjardins	Dick
Dorin	Edwards
Fee	Friesen
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson	Harvey (Chicoutimi)
Holtmann	Horner
Horning	Kempling
Landry	Langlois
Layton	Leblanc (Longueuil)
Lewis	Littlechild
Lopez	MacDougall (Timiskaming)
MacKay	Masse
Mayer	McCreath
McDermid	McDougall (St. Paul's)
Monteith	Moore
Nicholson	Oberle
Plamondon	Porter
Pronovost	Redway
Richardson	Robitaille
St-Julien	Schneider
Shields	Soetens
Sparrow	Tardif
Thompson	Tremblay (Rosemont)
Turner (Halton—Peel)	Venne
Vézina	Vien
Vincent	Weiner
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Winegard	Worthy—81

Mr. Deputy Speaker: I declare the motion lost.

The next question is on Motion No. 37.

The House divided on Motion No. 37, which was negatived on the following division:

(*Division No. 111*)

YEAS

Members

Allmand	Althouse
Angus	Arseneault
Axworthy (Saskatoon—Clark's Crossing)	Bellemare
Blondin	Brewin
Clancy	Comuzzi
Dionne	Ferguson
Fisher	Fontana
Gauthier	Harvard
Harvey (Edmonton East)	Heap
Hovdebo	Keyes
Kilger (Stormont—Dundas)	Kristiansen
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacAulay	MacDonald (Dartmouth)
MacLellan	McGuire
Nault	Ouellet
Pagtakhan	Peterson
Pickard	Proud
Rideout	Riis
Robichaud	Rocheleau
Rodriguez	Stewart
Stupich	Taylor
Volpe	Wood
Young (Beaches—Woodbine)—45	

NAYS

Members

Anderson	Atkinson
Bertrand	Bjornson
Blackburn (Jonquière)	Blais
Bosley	Bouchard (Lac-Saint-Jean)
Bourgault	Boyer
Brightwell	Campbell (Vancouver Centre)
Chadwick	Champagne (Champlain)
Clark (Brandon—Souris)	Cole
Collins	Cook
Côté	Couture
Crosby (Halifax West)	DeBlois
de Cotret	Desjardins
Dick	Dorin
Edwards	Fee
Friesen	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Gustafson
Harvey (Chicoutimi)	Horner
Horning	Kempling
Koury	Landry
Langlois	Layton
Leblanc (Longueuil)	Lewis
Littlechild	Lopez
MacDougall (Timiskaming)	MacKay
Masse	Mayer
McCreath	McDermid
McDougall (St. Paul's)	Monteith
Moore	Oberle
Paproski	Plamondon
Plourde	Porter
Pronovost	Redway
Richardson	Robitaille
St-Julien	Schneider
Shields	Soetens
Sparrow	Tardif
Thompson	Tremblay (Rosemont)
Turner (Halton—Peel)	Venne
Vézina	Vien
Vincent	Weiner

White
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard
Worthy—81

• (2030)

Mr. Deputy Speaker: I declare the motion lost.

The next question is on Motion No. 37A.

The House divided on Motion No. 37A, which was agreed to on the following division:

(Division No. 112)

YEAS

Members

Althouse
Anderson
Atkinson
Axworthy (Saskatoon—Clark's Crossing)
Bertrand
Bjornson
Blackburn (Jonquière)
Bosley
Bouchard (Lac-Saint-Jean)
Bourgault
Boyer
Brewin
Brightwell
Campbell (Vancouver Centre)
Chadwick
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Collins
Cook
Côté
Couture
Crosby (Halifax West)
DeBlois
de Cotret
Desjardins
Dick
Edwards
Fee
Fisher
Friesen
Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Halliday
Harvey (Edmonton East)
Heap
Horner
Horning
Hovdebo
Kempling
Kilgour (Edmonton Southeast)
Koury
Kristiansen
Langan (Mission—Coquitlam)
Langlois
Layton
Leblanc (Longueuil)
Lewis
Littlechild
Lopez
MacDougall (Timiskaming)
MacKay
Masse
Mayer
McCreath
McDermid
McDougall (St. Paul's)
Monteith
Moore
Nicholson
Oberle
Paproski
Plamondon
Plourde
Porter
Pronovost
Redway
Reid
Richardson
Riis
Robitaille
Rodriguez
St-Julien
Schneider
Shields
Soetens
Sparrow
Stupich
Tardif
Taylor
Thompson
Tremblay (Rosemont)
Turner (Halton—Peel)
Venne
Vézina
Vien
Vincent
Weiner
White
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard
Worthy—94

NAYS

Members

Allmand
Arseneault
Assad
Bellemare
Blondin
Clancy
Comuzzi
Dionne
Ferguson
Fontana
Gauthier
Harvard
Keyes
Kilger (Stormont—Dundas)
LeBlanc (Cape Breton Highlands—Canso)
Lee
MacAulay
MacDonald (Dartmouth)
MacLellan
McGuire
Nault
Ouellet
Pagtakhan
Peterson
Pickard
Proud
Rideout
Robichaud
Rocheleau
Stewart
Volpe
Wood—32

Mr. Deputy Speaker: I declare the motion carried.

The next question is on Motion No. 40.

The House divided on Motion No. 40, which was negatived on the following division:

(Division No. 113)

YEAS

Members

Allmand
Althouse
Angus
Arseneault
Assad
Axworthy (Saskatoon—Clark's Crossing)
Bellemare
Blondin
Brewin
Clancy
Comuzzi
Dionne
Ferguson
Fisher
Fontana
Gauthier
Harvard
Harvey (Edmonton East)
Heap
Hovdebo
Keyes
Kilger (Stormont—Dundas)
Kristiansen
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
Lee
MacAulay
MacDonald (Dartmouth)
MacLellan
McGuire
Nault
Ouellet
Pagtakhan
Peterson
Pickard
Proud
Rideout
Riis
Robichaud
Robinson
Rocheleau
Rodriguez
Stewart
Stupich
Taylor
Volpe
Wood—47

NAYS

Members

Anderson
Atkinson
Bertrand
Bjornson
Blackburn (Jonquière)
Bosley
Bouchard (Lac-Saint-Jean)
Bourgault
Boyer
Brightwell
Campbell (Vancouver Centre)
Chadwick
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Collins
Côté
Couture
Crosby (Halifax West)
DeBlois
Desjardins
Domm
Edwards
Fee
Friesen
Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Halliday
Harvey (Chicoutimi)
Hawkes
Hogue
Holtmann
Horning
Kempling
Kilgour (Edmonton Southeast)
Koury
Landry
Langlois
Layton
Leblanc (Longueuil)
Littlechild
Lopez
MacDougall (Timiskaming)
MacKay
Martin (Lincoln)
Masse
Mayer

McCreath
McDougall (St. Paul's)
Moore
Oberle
Plamondon
Porter
Reid
Richardson
St-Julien
Shields
Sparrow
Tremblay (Rosemont)
Venne
Vien
Wilbee
Assiniboia)
Worthy—80

McDermid
Monteith
Nicholson
Paproski
Plourde
Redway
Reimer
Robitaille
Schneider
Soetens
Thompson
Turner (Halton—Peel)
Vézina
White
Wilson (Swift Current—Maple Creek—
Winegard

Mr. Deputy Speaker: I declare the motion lost.

The next question is on Motion No. 41.

The House divided on Motion No. 41, which was negatived on the following division:

(Division No. 114)

YEAS

Members

Allmand
Angus
Assad
Bellemare
Brewin
Comuzzi
Ferguson
Fontana
Harvard
Heap
Karpoff
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
Lee
MacDonald (Dartmouth)
McGuire
Ouellet
Peterson
Proud
Riis
Robinson
Rodriguez
Stupich
Volpe
Young (Beaches —Woodbine)—49

Althouse
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Blondin
Clancy
Dionne
Fisher
Gauthier
Harvey (Edmonton East)
Hovdebo
Keyes
Kristiansen
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan
Nault
Pagtakhan
Pickard
Rideout
Robichaud
Rocheleau
Stewart
Taylor
Wood

NAYS

Members

Anderson
Bertrand
Blackburn (Jonquière)
Bosley
Bourgault
Brightwell
Chadwick
Clark (Brandon—Souris)
Collins
Couture
DeBlois
Desjardins
Domm
Edwards
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Halliday

Atkinson
Bjornson
Blais
Bouchard (Lac-Saint-Jean)
Boyer
Campbell (Vancouver Centre)
Champagne (Champlain)
Cole
Côté
Crosby (Halifax West)
de Cotret
Dick
Dorin
Fee
Gibeau
Gustafson
Harvey (Chicoutimi)

Hawkes
Holtmann
Kempling
Koury
Langlois
Leblanc (Longueuil)
Lopez
MacKay
Masse
Mazankowski
McDermid
Monteith
Nicholson
Plamondon
Porter
Redway
Reimer
Robitaille
Schneider
Soetens
Thompson
Turner (Halton—Peel)
Vézina
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard

Hogue
Horning
Kilgour (Edmonton Southeast)
Landry
Layton
Littlechild
MacDougall (Timiskaming)
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
Moore
Oberle
Plourde
Pronovost
Reid
Richardson
St-Julien
Shields
Sparrow
Tremblay (Rosemont)
Venne
Vien
Wilbee
Worthy—85

Mr. Deputy Speaker: I declare the motion lost.

Hon. Barbara McDougall (Minister of Employment and Immigration) moved that the bill, as amended, be concurred in.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

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

Some Hon. Members: No.

Mr. Deputy Speaker: Call in the members.

The House divided on the motion, which was agreed to on the following division:

(Division No. 115)

YEAS

Members

Anderson
Bertrand
Blackburn (Jonquière)
Bosley
Bourgault

Atkinson
Bjornson
Blais
Bouchard (Lac-Saint-Jean)
Boyer

Brightwell
Chadwick
Clark (Brandon—Souris)
Collins
Côté
Crosby (Halifax West)
de Cotret
Dick
Dorin
Edwards
Feltham
Gibeau
Gustafson
Hawkes
Holtmann
Horning
Koury
Langlois
Leblanc (Longueuil)
Littlechild
MacDougall (Timiskaming)
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
Moore
Oberle
Plourde
Pronovost
Reid
Richardson
St-Julien
Shields
Sparrow
Tardif
Tremblay (Rosemont)
Venne
Vien
Weiner
Wilbee
Assiniboia)
Worthy—92

Campbell (Vancouver Centre)
Champagne (Champlain)
Cole
Cook
Couture
DeBlois
Desjardins
Domm
Duplessis
Fee
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Harvey (Chicoutimi)
Hogue
Horner
Kempling
Landry
Layton
Lewis
Lopez
MacKay
Masse
Mazankowski
McDermid
Monteith
Nicholson
Plamondon
Porter
Redway
Reimer
Robitaille
Schneider
Soetens
Stevenson
Thompson
Turner (Halton—Peel)
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—
Winegard

NAYS

Members

Allmand
Angus
Assad
Blondin
Comuzzi
Ferguson
Fontana

Althouse
Arseneault
Bellemare
Clancy
Dionne
Fisher
Gauthier

Harvard
Heap
Karpoff
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
Lee
MacDonald (Dartmouth)
McGuire
Ouellet
Peterson
Proud
Riis
Robinson
Rodriguez
Stewart
Taylor
Wood

Harvey (Edmonton East)
Hovdebo
Keyes
Kristiansen
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan
Nault
Pagtakhan
Pickard
Rideout
Robichaud
Rocheleau
Skelly (Comox—Alberni)
Stupich
Volpe
Young (Beaches—Woodbine)—48

• (2100)

Mr. Deputy Speaker: I declare the motion carried.

Mr. Gauthier: Mr. Speaker, I would like to ask the government what is in the works for tomorrow and if it could inform the House what kind of an agenda it has for tomorrow and Friday.

Mr. Lewis: Mr. Speaker, the business of the House tomorrow will be Bill C-36.

Mr. Angus: Mr. Speaker, I rise on a different point of order. It has been a long evening and I think all members of the House would want to congratulate the people at the table for the manner in which they have conducted business tonight, particularly as members changed their places.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: It being 9.15 p.m., this House stands adjourned until tomorrow morning at eleven o'clock.

The House adjourned at 9.15 p.m.

HOUSE OF COMMONS

Thursday, October 26, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to nine petitions.

[*Editor's note: See today's Votes and Proceedings.*]

* * *

[*English*]

ORDER IN COUNCIL

TABLING OF APPOINTMENTS AND REFERENCE TO STANDING COMMITTEES

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), these appointments are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

INTERPARLIAMENTARY DELEGATIONS

REPORT OF JOINT PARLIAMENTARY DELEGATION TO BANGLADESH AND THE PHILIPPINES

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House a report on the Joint Parliamentary Delegation to Bangladesh and the Philippines, August 15 to August 27, 1989, in both official languages.

CANADIAN NATO PARLIAMENTARY ASSOCIATION REPORTS

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, in my capacity as vice-chairman of the Canada NATO Parliamentary Association, I have the honour to present pursuant to Standing Order 34, the seventh, eight and ninth reports, in both official languages, of the Canadian NATO Parliamentary Association.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

COMMITTEES OF THE HOUSE

EIGHTEENTH REPORT OF STRIKING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the eighteenth report of the Striking Committee.

• (1110)

BILL C-13—REPORT OF LEGISLATIVE COMMITTEE

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-13, an act to authorize the divestiture of Nordion International Inc. and Theratronics International Limited.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

NUCLEAR POWER ACT

MEASURE TO ENACT

Mr. Nelson A. Riis (Kamloops) moved for leave to introduce Bill C-267, an act establishing a moratorium on the continued development of nuclear power in Canada for the purpose of establishing a public inquiry into nuclear power that is followed by a national referendum.

Mr. Speaker: Shall the hon. member have leave to introduce the bill?

Some Hon. Members: Agreed.

Mr. Riis: Mr. Speaker, before the government privatizes the entire nuclear industry we had better have a public inquiry. This bill has been introduced to call for a moratorium on any expansion in terms of nuclear power in Canada and to establish a full, open and comprehensive public inquiry into the use of nuclear power in all of its forms. Once that is done, presumably we could determine the appropriate course of action.

Basically it is calling for a public inquiry that I might say could be followed by a national referendum, although I think there are more appropriate ways to determine the future of nuclear power in Canada once all the information is provided to us.

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

* * *

[*Translation*]

CANADA HEALTH ACT

MEASURE TO AMEND

Mr. Don Boudria (Glengarry—Prescott—Russell) moved for leave to introduce Bill C-268, An Act to amend the Canada Health Act (abortion).

Mr. Speaker: Does the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

[*English*]

Mr. Boudria: Mr. Speaker, I move this bill, an act to amend the Canada Health Act, which would penalize provinces that pay for abortions when the mother's life is not in danger. The amount so paid would be deducted from the federal contributions to the provinces for health care.

I want to thank my colleague, the member for Mississauga East, for seconding this bill.

[*Translation*]

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: On division.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Don Boudria (Glengarry—Prescott—Russell) moved for leave to introduce a Bill intituled An Act to amend the Criminal Code (destruction of the foetus).

Mr. Speaker: Does the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Some Hon. Members: No.

[*English*]

Mr. Boudria: Mr. Speaker, I am pleased to move this bill, an act to amend the Criminal Code (destruction of the foetus). This bill would make it an offence, liable to life imprisonment, for anyone who wilfully causes the death of a foetus.

I want to thank my colleague, the hon. member for Mississauga East, for seconding this bill as well.

[*Translation*]

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

[*English*]

POINT OF ORDER

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, last week in the House, as reported at page 4952 of *Hansard*, I raised a point of order on another private member's bill that would seek to have the same effect as I understand this private member's bill would. There has been no ruling yet on my point of order. I would ask, if it is in order, that this bill be included in my previous point of order.

Mr. Speaker: The hon. member has made a request which under the circumstances seems reasonable to the Chair. I will take her comments into account and will

include them when I return to the House with respect to her earlier point of order on the same issue.

Following that ruling I will be able to deal further with the bill one way or the other, depending on the order.

* * *

ELECTIONS, PRIVILEGES, PROCEDURE AND PRIVATE MEMBERS' BUSINESS

ORDER OF PRECEDENCE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the parties and I think you would find unanimous consent for the following two motions to be put immediately and voted upon without debate. I move:

That the Standing Committee on Elections, Privileges, Procedure and Private Members' Business inquire into, consider and report to the House (by December 7, 1989) on whether (and, if so, then by what procedural changes) there should be changes to the manner in which Private Members' items are selected to become items in the order of precedence, and

That, if the said committee is of the opinion that other aspects of the procedures or practices relating to the conduct of Private Members' Business (including procedures on private bills) should be reviewed or modified the committee include such observations or recommendations to the House in its report.

Mr. Speaker: The House has heard the motion of the Hon. Minister of Justice. Is there agreement?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

COMMUNICATIONS AND CULTURE

TELEVISED BROADCASTING OF MEETINGS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I move:

That televised broadcasting be authorized of certain meetings of the Standing Committee on Communications and Culture, specifically during the consideration of Order in Council appointments of Patrick Watson and Gerard Veilleux to the Canadian Broadcasting Commission, and of Keith Spicer to the Canadian Radio-Television and Telecommunications Commission, and of Joan Pennefather as government film commissioner; and

That such broadcasting be on the basis of the principles and practices now governing broadcast of the proceedings of the House of Commons; and

That such authority be in effect beginning the week of October 30, 1989.

Mr. Speaker: The House has heard the provisions of the motion of the Hon. Minister of Justice. Is there agreement?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

REVISION OF EXTRADITION LAW

Mr. Bill Domm (Peterborough): Mr. Speaker, I rise today with a petition concerning Charles Ng, the U.S. citizen wanted to stand trial for 13 murders in the Untied States. An extradition is now under way.

I have the honour to present a petition which has been certified by the clerk pursuant to Standing Order 36.

This petition, which contains 1,339 signatures, calls on the Government of Canada to revise the extradition laws which would allow the Minister of Justice to order the extradition of fugitives, either immediately or after they have been dealt with fully by the Canadian penal system. This brings the total number of signatures on petitions entered into the House on this matter to 90,987.

• (1120)

PROPOSED GOODS AND SERVICES TAX

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a petition on behalf of several dozen of my constituents in the community of Elliot Lake in northern Ontario. It calls upon the House of Commons and Parliament to reject the proposed goods and services tax.

They point out that the manufacturers' sales tax has already been increased from 9 per cent to 13.5 per cent and that the goods and services tax would have a very adverse affect on our economy, on the regions of the country, and on tourism. They point out as well that the government has already introduced more than two dozen tax increases since 1984.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I am honoured to present this petition, pursuant to Standing Order 36, which petition has been certified correct as to form and content, on behalf of many Canadians, including constituents of Winnipeg North, who believe that this new proposed goods and services tax will be

hidden from Canadians and will apply to virtually everything they buy and that the imposition of this new proposed goods and services tax will cause serious and unfair hardship to low and medium income Canadians.

Therefore the petitioners, believing that the House of Commons will grant them a remedy, do pray that such a remedy be granted and that Parliament reject the proposed goods and services tax.

EDUCATION—TAX EXEMPT STATUS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present three different petitions. The first petition is asking Parliament to ensure that any changes to the federal sales tax will not change the tax exempt status of education and related personal enrichment activities because educational activities have been traditionally exempt from taxation.

VIA RAIL

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the second petition, which is from a number of people on the lower mainland of British Columbia, calls on Parliament to maintain the existing VIA network, upgrade VIA equipment, and guarantee VIA sufficient support to carry on its mandate to provide passenger service.

PROPOSED GOODS AND SERVICES TAX

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the third petition is calling upon Parliament to reject the proposed goods and services tax; to reform the tax system so that there is an effective minimum tax on the wealthy individuals and corporations; to ensure that if and when there is a broad public consensus on a sales tax measure this reform not be an opportunity for the government to impose a massive tax grab; and to cause the government to cease with a proposal which will shift the tax burden on to ordinary Canadians through a regressive consumption tax instead of through real tax reform.

VIA RAIL

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have two petitions. The first one deals with the government's intentions to shut down passenger rail services in Canada.

The people who signed this petition humbly submit to this House that the Government of Canada has decided to eliminate many of VIA Rail's existing routes and thousands of jobs. They state that the people of Canada deserve a high quality passenger rail service, including modernized equipment throughout the network and a rapid rail system for the corridor; that the rail passenger mode is the safest and the most environmentally friendly mode of travel; that annual subsidies provided by the Government of Canada to VIA Rail are not disproportionate to subsidization required for highly infrastructural airports; that several rural communities rely exclusively on rail passenger services; and that the tourism industry in Canada also relies on rail passenger services.

The people who signed humbly pray and call upon Parliament to urge the Government of Canada not to cancel, in whole or in part, rail passenger services in Canada.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): I have a second petition, Mr. Speaker, one more in a series of petitions I have presented in the House, which is signed by constituents of Ottawa—Vanier and by visitors to the beautiful riding of Ottawa—Vanier, all of whom object to this federal sales tax on goods and services and who call upon Parliament to reject out of hand this new tax on goods and services because it will be inflationary, will harm the Canadian economy and cause serious and undue hardship for middle- and low-income families.

[*English*]

RIGHTS OF THE UNBORN

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Mr. Speaker, I rise to present a petition duly certified under Standing Order 36 from people in my constituency who call upon Parliament to enact legislation which will effectively protect the life of the preborn child without distinction as to stage of development.

PROPOSED GOODS AND SERVICES TAX

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, it is my privilege to rise, pursuant to Standing Order 36, to present a petition from many Canadians in the greater Toronto region. The petition has been certified correct as to form and content.

It calls upon this House and all members of Parliament to urge the government to put aside its GST proposal. The GST in the estimation of all Canadians who signed this petition is a prescription for economic disaster.

Among those who have affixed their signatures are Canadians engaged in the tourist industry. These people predict a loss of some 30,000 jobs in the industry, 5,000 of them in Ontario alone. They along with other Canadians plead with this House to scrap the GST totally.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I have the honour to present two petitions duly authorized pursuant to Standing Order 36. One petition concerns objections to the general sales tax which is being put forward by the government. They point out that it is unfair and that it is taxing people on their ability to pay. They object to haircuts being taxed, as well as diapers and home heating fuels.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am pleased to present a petition on behalf of a number of constituents, pursuant to Standing Order 36, people from Kamloops who are almost delirious in their opposition to the general sales tax.

They point out a whole variety of areas where they think the government is completely wrong-headed in its approach and are asking it to back off from this very punitive, cruel, horrible and discriminatory tax.

VIA RAIL

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on a different issue, and pursuant to Standing Order 36, I have a petition certified correct by the clerk of petitions to present.

It is from Quebec where a variety of communities have come together with a number of western Canadian communities in opposition to the government's decision to curtail VIA Rail service to so many Canadian communities. They point out why this is a particularly environmentally unsound decision.

With the Minister of the Environment being here, I hope that he is paying attention to all these different people speaking out against the transfer of so many people who presently ride the trains to automobiles, congested airports, and the like.

I think they make a very convincing case for the Minister of the Environment.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I have a petition which deals with a subject that is very important to my constituents. Your petitioners object to the proposed goods and services tax. They believe that in proposing this tax, the Government is making the wrong decision for Canadians. Your petitioners call upon Parliament to reject the proposed goods and services tax.

[*English*]

VIA RAIL

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, it is my pleasure and responsibility to present a petition under Standing Order 36 which has been certified correct by the clerk.

The petitioners state that whereas the Government of Canada has called for the closure, sale or transfer of substantial parts of the VIA Rail system, therefore they ask the Parliament of Canada to maintain VIA Rail, Canada's present national network.

We ask Parliament to upgrade VIA Rail with new equipment.

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I have a petition, pursuant to Standing Order 36, which has been certified correct as to form and content.

This petition is signed by Canadians from across the country who say that the Government of Canada has called for the closure, sale or transfer of substantial parts of the VIA Rail system and asks the Parliament of Canada to maintain VIA Rail, Canada's present national network.

• (1130)

They ask Parliament to upgrade VIA Rail with new equipment. They ask Parliament for a passenger train act, giving VIA Rail a firm legislative mandate. Finally, they ask Parliament for a revised costing arrangement with the railway companies.

RIGHT TO LIFE

Mr. Ross Stevenson (Durham): Mr. Speaker, I am honoured to present a petition pursuant to Standing

Order 36. It is signed by 3,740 constituents of the ridings of Durham, Oshawa and Ontario. The petitioners call upon Parliament to enact legislation immediately that will protect the life of every human being in Canada, from conception to natural death.

PROPOSED GOODS AND SERVICES TAX

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have a petition from Canadians who urge the government to abandon its proposal for a goods and services tax because it is unfair and because of its lack of regard for taxpayers' ability to pay.

VIA RAIL

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have the honour to present a petition signed by residents of the Burnaby and Vancouver area, which points out that railway passenger service as carried on by VIA Rail is essential for many Canadians. It has been a part of Canada for more than 100 years, yet the Government of Canada has announced a cut of $400 million over five years in its operating grants to VIA. These cuts will result in a serious reduction in passenger railway service and threaten maintenance, safety and jobs.

Finally, the petitioners note that the reductions in budget and service could eliminate one-third of our national passenger railway system. They therefore call upon Parliament to maintain the existing VIA network, upgrade VIA equipment and guarantee VIA Rail sufficient support to carry out its important mandate to provide passenger service across Canada.

PROPOSED GOODS AND SERVICES TAX

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, it is my honour and duty to present a petition on behalf of I think every taxpayer in the town of Vonda, Saskatchewan, who call upon the government to reject the current proposals for a goods and services tax and to reform the taxation system so that the pressure of taxation is more evenly spread out and not only on ordinary Canadians.

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, it is with great sadness that once again I am presenting a petition on behalf of Canadians who are both hurt and angry that this government persists in turning a deaf ear to their pleas to repeal the regressive GST.

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise today to present a petition which has been certified correct pursuant to Standing Order 36. This petition is from a number of people in Windsor, Ontario. In this petition the signatories humbly pray and call upon Parliament to reject the proposed goods and services tax.

Mr. George Proud (Hillsborough): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition on behalf of many Canadians who are asking Parliament to reject outright this goods and services tax, as they fear the imposition will cause serious and unfair hardship to low and middle-income families.

PROPOSED GOODS AND SERVICES TAX AND VIA RAIL

Mr. Jim Karpoff (Surrey North): Mr. Speaker, pursuant to Standing Order 36, I have two petitions to file, one dealing with the goods and services tax and the other dealing with VIA Rail. The petitioners are basically asking the government to change its positions, to save VIA Rail and to abandon the GST, instead of doing what it is now doing, which is abandoning VIA Rail and trying to save the GST.

VIA RAIL

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today on behalf of the citizens of Thunder Bay who now avail themselves of their ancient and undoubted right to present a grievance to this House. They humbly pray and call upon Parliament to urge the Government of Canada not to cancel, in whole or in part, passenger rail service in Canada.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the honour to present a petition signed by a number of constituents in Windsor West. They object to the goods and services tax and call upon Parliament to reject a tax that is so unjust and unfair.

[*English*]

VIA RAIL

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I am pleased to rise pursuant to Standing Order 36 to present a petition on the subject of VIA Rail, a petition which has been certified correct by the Clerk of Petitions.

The petitioners, who come from Coquitlam and the vast majority who come from Revelstoke, British Columbia, which is along the to-be-abandoned Canadian VIA line, suggest to the government that the VIA Rail network be maintained, that the government act to upgrade VIA Rail with new equipment, and, to give VIA

Rail a sufficient budget to maintain its national mandate for passenger service.

These residents are both angry and anxious. I do not think they are delirious.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I have a petition here duly authorized under Standing Order 36. The petitioners from Clinton, Waterloo, Stratford, and Kingston, Ontario, humbly pray and call upon Parliament to restore VIA Rail services, to provide the railroad with the necessary resources, to provide good service, and to maintain and improve the railroad.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MOTION THAT THE DEBATE NOT BE FURTHER ADJOURNED

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada) Mr. Speaker, I move:

That the debate on second reading and reference to a legislative committee of Bill C-36 and on any amendments proposed thereto shall not be further adjourned.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

An Hon. Member: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 116*)

YEAS

Members

Anderson	Atkinson
Attewell	Beatty
Bertrand	Bird
Bjornson	Blackburn (Jonquière)
Blenkarn	Bosley
Bouchard (Roberval)	Bouchard (Lac-Saint-Jean)
Bourgault	Boyer
Brightwell	Cadieux
Campbell (Vancouver Centre)	Cardiff
Chadwick	Champagne (Champlain)
Chartrand	Clark (Brandon—Souris)
Clifford	Cole
Collins	Cook
Corbeil	Côté
Couture	Crosbie (St. John's West)
Crosby (Halifax West)	Darling
DeBlois	de Cotret
Desjardins	Dick
Domm	Dorin
Duplessis	Edwards
Fee	Feltham
Fontaine	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hogue	Holtmann
Horner	Horning
Johnson	Jourdenais
Kempling	Kilgour (Edmonton Southeast)
Kindy	Koury
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Littlechild
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Martin (Lincoln)
Mayer	Mazankowski
McCreath	McDermid
McDougall (St. Paul's)	Monteith
Moore	Nicholson
Oberle	Plamondon
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Richardson	Robitaille
St-Julien	Schneider
Shields	Soetens
Sparrow	Stevenson
Tardif	Thompson
Thorkelson	Tremblay (Rosemont)
Turner (Halton—Peel)	Van de Walle
Venne	Vézina
Vien	Vincent
Weiner	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)	Winegard
Worthy—111	

.NAYS116

Althouse
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Bellemare
Black
Brewin
Campbell (South West Nova)
Clancy
Dingwall
Ferguson
Fontana
Fulton
Gray (Windsor West)
Harvey (Edmonton East)
Hopkins
Hunter
Kristiansen
Lee
MacDonald (Dartmouth)
McGuire
Mitchell
Nunziata
Ouellet
Peterson
Proud
Robichaud
Rocheleau
Simmons
Speller
Stupich
Vanclief
Wappel
Young (Gloucester)—66

Allmand
Angus
Assad
Bélair
Benjamin
Boudria
Callbeck
Catterall
Comuzzi
Dionne
Fisher
Foster
Gauthier
Harvard
Heap
Hovdebo
Karpoff
Langan (Mission—Coquitlam)
MacAulay
Manley
Milliken
Nault
Nystrom
Pagtakhan
Pickard
Rideout
Robinson
Rodriguez
Skelly (Comox—Alberni)
Stewart
Taylor
Volpe
Wood

The Acting Speaker (Mr. Paproski): I declare the motion carried.

* * *

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

The House resumed from Tuesday, October 24, consideration of the motion of Mr. Mazankowski that Bill C-36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee, and the amendment of Mr. Schneider (p. 5069).

The Acting Speaker (Mr. Paproski): The hon. member for Regina—Lumsden has two minutes left in his debate.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I would like some clarification. Am I finishing my magnificent speech on second reading, or can I now speak on the closure motion?

• (1220)

The Acting Speaker (Mr. Paproski): The hon. member has two minutes remaining in the speech that he had prior, and that will be it.

Mr. Benjamin: I would rather have another 20 minutes. However, I wish to make a few quick points in the time remaining. I hope I get some questions, particularly from the member for Regina—Wascana.

I want to point out something that has not been mentioned yet about interest free cash advances. The repayment record by the farmers of Canada is in the order of 99 per cent. It is probably the best record of repayment of any government program.

The other point I want to make is that the government is breaking the law. It has refused to allow the Canadian Wheat Board to issue interest free cash advances since August 1, the beginning of the crop year. This legislation was being implemented before it even saw the light of day in the House of Commons. If that is not law breaking, I do not know what is. If that is not the worst kind of totalitarian activity, I do not know what is. The Canadian Wheat Board has not been allowed, even though the law says it can and should make interest free cash advances since August 1. That is a violation not only of the law, but it is a violation of the farm industry in Canada.

Some farmers need cash now to meet their payments to the Farm Credit Corporation, to clean up their fuel bills from their harvest and for a host of other things. There are many places in this country where at the moment their produce either cannot be sold or there is so much of it, it should not be sold. Why victimize agricultural producers for something that is no fault of theirs, that was not of their doing or their creation?

As I pointed out before and repeat, we provide interest free loans, which will never be paid, to the corporate sector through deferred corporation taxes, about $40 billion worth. That is an interest free deferment of taxes which are deferred forever. But the government wants to deny farmers interest free cash advances, which they have always repaid in full. This flies in the face of what used to be a very good—they did not have very many—policy of the Conservative Party. In fact, the political parties in the prairie provinces were united on this issue back in the 1940s and 1950s. The stubborn Liberal

Government refused to do it, but Mr. Diefenbaker did. People of all political stripes and all the farm organizations applauded them then and have done so ever since.

Why you would want to pick on this small item in all of the government's operations at the expense of agriculture producers escapes me completely. I have yet to hear any good, sound reason from anybody in this House as to the necessity for doing this, or some reason for doing it, any kind of a reason. If somebody over there can come up with a reason why this needs to be done, I would like to hear it. In fact, will somebody over there get up and make a comment so that I can answer. I invite members opposite to ask me a question.

The Acting Speaker (Mr. Paproski): There are no questions or comments.

Mr. Benjamin: Why not? We are still on second reading.

The Acting Speaker (Mr. Paproski): There are no questions and comments. We are now under a new set of rules. I will allow the hon. member another two or three minutes, if he would like.

Mr. Benjamin: Give me another 10 minutes. Can I have unanimous consent to continue my remarks?

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some Hon. Members: No.

Mr. George Proud (Hillsborough): Mr. Speaker, I am pleased to rise today to speak to this bill. I am very disappointed that this government has again taken this jackboot approach to closure. It is a terrible day for the farmers of this country. This government has invoked closure more times than we have had legislation before this House. It is time that the government went back to the farming community, consulted with them and used the legislation that is now in place to make available to them the moneys that they so desperately need at this time of the year.

The original advance payment program, which this bill now wants to change, was designed with the basic goal of establishing an orderly market system for Canadian farm products, one which ensured that supply met demand and that prices remained relatively stable. This program was meeting that goal satisfactorily.

Farmers require a substantial input at the beginning of the season, and so at harvest time they are eager to pay off the debts arising from this input. However, if they dump their entire crop onto the market at this time, several negative things happen. A flooded market means low prices for producers, an over-stressed processing and transportation system and a produce shortage would accompany high prices for consumers in the spring. That is the result of the financial pressure on producers to sell their entire crop at harvest time.

Since the advance payments program has been implemented, Canada has enjoyed an orderly marketing system which is the envy of many countries. The basic factor in this success has been the interest free loans advanced to producers through their producer organizations and guaranteed by the federal government at harvest time.

With Bill C-36, the government is eliminating the interest free component of the loan program. In doing so, it will cripple the already vulnerable family farm in Canada. The Minister of Agriculture has tried to soften the blow by telling farmers that by losing the interest free loans they will be doing their share to overcome Canada's deficit. Well, when the banks foreclose on their farms and their families lose their livelihood, I am sure that the farmers will rest easy knowing that they are helping to cut the government's deficit.

The issue of cost effectiveness has been explored by my colleagues on this side of the House, but I believe that its importance cannot be over-emphasized. Just how much will the government save by making the farmers pay interest on their loans through this program? The minister says that the amendments to this program will save the government approximately $20 million in this fiscal year. Dozens of farm organizations from Atlantic potato producers to Ontario corn producers to western grain producers have told this government that without the interest free component of the program, the program will be too expensive for many producers. These same organizations have told the government again and again that the advantages of this program far outweigh the costs.

The government will find out too late that there is a cost in destroying the interest free program, a cost collected not only in dollars, but in a much more

intangible and valuable coin, that of the survival of the family farm.

• (1230)

Passage of this legislation would mean higher costs for farmers at a time when our family farm is under siege already, as we can see daily in the reports of farm foreclosures and bankruptcies.

Farming organizations in western Canada estimate that eliminating the interest free component of the program will increase borrowing costs in the range of $1,500 to $2,000 per year per farm. Skyrocketing interest rates resulting from the government's irresponsible fiscal policies will play their part in crushing farmers under growing debt. Government savings simply do not translate into farmer savings.

In other words, without the interest free aspect, the advance payments program will be rendered virtually useless to farmers.

The Ontario Corn Producers Association which, in the past years, has seen approximately 2,000 producers participate in the program has stated that eliminating the interest free provision will result in an ineffectual program with minimal participation.

What is this government's true motive in proposing this measure? It is true that if producers are discouraged from participating and the program dies from neglect then the government will save money. Is this the true plan? The destruction of the interest free advance payment program is only a step in the federal government's increasingly obvious assault on the family farm in Canada.

Cutbacks in transportation subsidies, budgets for dairy export programs and support for organizations such as the Canadian Dairy Commission, to name but a few, have resulted in farmers losing $400 million in support structures since the last election. This is not even counting the damage that Bill C-36 promises to do.

Industries such as wine and tobacco are floundering. Marketing boards have been drastically weakened. The effects of the free trade agreement hold little promise for the farmers of this country.

While the government pays lip service to the preservation of the family farm in Canada, it cripples its future by destroying these mechanisms which have allowed it to survive thus far in a cut-throat global market-place.

We have seen countless times this government's disregard for ordinary Canadians, its abdication from the unemployment insurance program, its gutting of our national rail system, its multi-pronged attack on Atlantic Canada and, most recently, in its proposed goods and services tax. That this government pays heed only to big business is painfully obvious. We need not be surprised but certainly angered by its attack on the family farm.

The interest free cash advance program has not only bolstered the Canadian marketing system to the benefit of producers, but to the benefit of millions of consumers as well. These ordinary consumers will also suffer from the destruction of this program.

With interest growing on their debts from harvest time onward, farmers will naturally be under great pressure to sell all of their produce and begin paying off their massive debts immediately, especially considering the high interest rates. The result will be low prices and spiraling debts for producers, a swamped quota system which, until now, has been the envy of the world and subsequent higher prices for consumers due to produce shortages next spring. This, in turn, necessitates higher imports from the U.S. which are often of an aged and inferior quality. This will be the result of a badly controlled market which this government's policy will create.

The government has tried to foist its guilt off on this side of the House belating that by our determination to save the existing advance payment program through debate we are only delaying urgently needed payments to farmers. If so, how does the government explain the dozens of producer organizations that have joined us in insisting that this bill is badly flawed? How does this government explain the fact that the Prince Edward Island Federation of Agriculture, the Ontario Corn Producers Association, the Western Canadian Wheat Growers Association and many other organizations have expressly requested that the government not implement this bill?

Such respected bodies such as the Advisory Committee to the Canadian Wheat Board unanimously resolved to recommend that the federal government operate the cash advance program as usual for the 1989-90 crop year

and only propose amendments after consultation with the producer organizations.

Of course, in the implementation of its agenda, the government has never shown much interest in seeking the input of those Canadians who will be most affected by the measures. From a finance committee that considered originally only going to two cities in Atlantic Canada and a Minister of Transport who refused to meet with municipal officials, this government obviously does not want to hear what Canadians have to say.

The Minister of Agriculture and his colleagues are turning a deaf ear to all of the producer organizations coast to coast that oppose this bill. This government's arrogance is stunning and will not be forgotten by farmers and other Canadians.

I find it appalling that the government will go forward at this time with this bill when farmers and producers so greatly need money at this time of year. They need their credit line and then be able to go to the banks when they have to borrow more money to keep their operations afloat.

This could not come at a worst time for Canadian farmers, when they are fighting all the effects and the impacts of the free trade agreement and the threat to their marketing policies. Again I would urge this government to go back to these organizations and negotiate a bill that will be much more beneficial. I ask it to keep this program intact, certainly for this year as has been recommended by all these producer organizations.

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I welcome the opportunity to participate in this debate.

I think the essence of what we are trying to do here is put in place the amendments to the Advance Payments for Crops Act and also the Prairie Grain Advance Payments Act.

What I am hearing from producers is that over-all they feel the government is on the right track in trying to deal with the debt and deficit problems which, after all, is the fundamental problem affecting the country right now. The interest charges on that debt would curtail the activities of any government. I say that not in any partisan way because it would not matter which party was in charge here. The size of the national debt and the interest charges that have to be paid on it are, without a doubt, a formidable obstacle and, in essence, shackle the abilities of government to be able to continue to deliver the programs we have now, let alone to improve upon them.

I think that producers across Canada understand the problem and the dilemma that faces the government. I think they understand also that the answer to the problem is not just to raise taxes, but that there also have to be some reductions in government spending.

In the recent budget, there were reductions. Every department of the government was asked to make some contribution to deal with the deficit problem. Of course, it is natural that each and every one of those proposals would be opposed by the opposition because that is their job, and by various groups affected in the country.

The fact is that most people across the country understand that these things have to be done. There is no great desire on the part of the government to inflict pain or hurt. The problem is that unless the deficit is addressed in some meaningful fashion at this time, we will soon reach the point where all of the revenue of government is taken up in interest charges, in servicing the debt of the past. Clearly, that cannot continue very long.

In regard to the amendments to these bills, the essence of them is this: That farmers will still be able—

Mr. Milliken: On a point of order, Mr. Speaker.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): —to obtain financing to carry their crops from harvest time to delivery.

The Acting Speaker (Mr. Paproski): The hon. member for Kingston and the Islands on a point of order.

Mr. Milliken: Mr. Speaker, the hon. member who is speaking is clearly making an intelligent speech, but there is not a single minister of the Crown in this House to hear it. We are on a closure motion. This is a government bill. There should be a minister here.

• (1240)

The Acting Speaker (Mr. Paproski): The hon. member knows that he should not indicate who is and who is not in the chamber. We have a lobby. We have television sets here in the House.

Mr. Gauthier: Where are they?

The Acting Speaker (Mr. Paproski): They are probably in the chamber some place, or else on the telephone. I do not wish to argue with the hon. member. He is right, but we still have that rule. We do not indicate whether there are or are not members in the House. The hon. member for Swift Current—Maple Creek—Assiniboia.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, the fact is that the Minister of Agriculture and the minister of state responsible for the Canadian Wheat Board, have tried on a number of occasions to see this legislation through. The farmers, the producers in this country want access to the cash advances. I think they are tired of seeing the stonewalling that is going on in this place. I think they are tired of hearing the arguments back and forth on both sides. I think at this point in time, they are less interested in whether minister x is in the front row or the fact that the entire opposition benches are empty. I mean everyone can play that game.

The Acting Speaker (Mr. Paproski): I must say that what is good for the goose is good for the gander. I wish hon. members would please take heed and let us not get into saying who is and who is not in this chamber. The hon. member for Swift Current—Maple Creek—Assiniboia.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, your point of course is well taken and I think illustrates the fact that I am sure the producers of this country would want members on all sides to get on with the business of Parliament to pass this legislation and to make the cash advances available to the farm community.

I wanted to take a couple of moments to outline a couple of the proposals that are in this bill. Of course, farmers will still be able to obtain financing to carry their crops from harvest time to delivery. They can still take advantage of marketing opportunities. The advances will be administered through producer organizations with which the federal government has agreements. The advance is extended to the farmer by the producer organization and is repaid by the farmer when the crop is delivered. The federal government will guarantee these advances against default so that the organizations and lenders involved take no risk.

What are the changes that are the subject of debate here? First, to provide better security, the act will guarantee payment of interest as well as the principal of the advance itself.

Second, under the Prairie Grain Advance Payments Act, the interest rates will be designated by the minister rather than by regulation. This should assist in getting the advances into producers' hands more quickly.

Third, the advance limits would be designated by the minister up to a higher level than previously. Finally, interest rates will be based on rates negotiated by the Canadian Wheat Board or other producer organizations with the lending institutions. These rates will be significantly lower than would be the case if producers organizations sought credit independent of the federal guarantee.

In so far as orderly marketing is concerned, surely it is up to the producer to decide when to deliver within the schedules that are prescribed by the particular organization so that when the marketing agency—and I refer here to the Canadian Wheat Board as being of special interest to producers within my constituency—wants a particular grain or a crop delivered, they will open quota. It is of course up to the producer to decide to deliver. The fact that he is paying interest may indeed cause him to respond to the opening of quota and the request for delivery by the board. But that decision to ignore the request to the selling agency should be financed by the producer, not by the taxpayer. Of course, the price to the producer delivering is averaged throughout the year.

I want to spend some time on the background to this bill because I think it is being portrayed in some circles as some sort of heartless, vicious attack on the farm community. The fact is that nothing could be further from the truth. Unless serious steps are taken now to address the debt and deficit problem in this country, there simply will not be federal moneys available. Forget about interest free advances, there will not be any money available for fundamental farm programs, for the administration of the agriculture department, or indeed for the ordinary running of government departments, to say nothing about transfer payments to the provinces, or the support of our social safety net which we have come to appreciate and to enjoy. So there is a very fundamental issue at stake here.

I would like to make some reference to the magnitude of the debt at this point in time. The national debt and all of the accumulated deficits of the past amount to some $330 billion. We are told that that accumulated total of national debt will become $350 billion by spring. The interest payments that have to be made on that debt are in the neighbourhood of $35 billion to $39 billion a year. That is an enormous sum of money. It amounts to about $1,400 for every man, woman and child in this country. That amount has to be found to service the debt that was built up when the governments of the past failed to take in enough money, failed to tax Canadians sufficiently to pay for the programs that were delivered in the past.

That is the problem facing this government today, and, I might add, will have to be faced by whoever is in government. So again I stress that my remarks are intended to be as non-partisan as they can possibly be in this place. The figures do not change. The figures are there. The debt is there and it is inescapable. It will not go away. We cannot tear it up. We cannot renege on the treasury bills. We cannot renege on the Canada savings bonds. These are investments by Canadians in the main and they expect, of course, to receive interest on their investment.

We continue to try to find ways to deal with this problem. The size of the national debt has reached the point where the interest charges on it are feeding on themselves, like a snowball going down hill. Despite the best efforts of the past several years in terms of reducing government involvement, reducing the public service, in terms of eliminating non-essential programs, getting rid of a number of Crown corporations that were serving no useful public purpose, and in spite of some tax increases in the past, we still have this mounting debt.

It is clear that more has to be done. It is inescapable. It simply will not go away. We may be told that it is a heartless budget, and you cannot cut national defence, cut CBC, or reduce programs, but it has to be done some place. The only way that it is possible to deal with the debt and deficit problem is either to take in more money or to spend less.

There are two ways to take in more money. One is to increase taxes and another is to put more Canadians to work. Obviously government is moving in two thrusts.

The Acting Speaker (Mr. Paproski): The member for Winnipeg North on a point of order.

Mr. Pagtakhan: Mr. Speaker, permit me to ask a question on the motion of closure to the member?

The Acting Speaker (Mr. Paproski): I am afraid not. The hon. member for Swift Current—Maple Creek—Assiniboia. There are no questions or comments.

Mr. Milliken: It is permitted for him to allow a question by consent.

The Acting Speaker (Mr. Paproski): Yes, by consent, after the hon. member finishes his speech, by consent.

Mr. Milliken: Or the hon. member consents during the speech.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I appreciate the attempts of the opposition members to try to interrupt the thrust of what I am saying and I understand why. It is pretty clear that they do not like to hear—

The Acting Speaker (Mr. Paproski): On a point of order, the hon. member for Winnipeg North.

Mr. Pagtakhan: I think the hon. member is trying to insinuate motives. That is fundamentally wrong and against a common rule of order. I was serious in wanting to ask a serious question. If the hon. member were to impose a false motive, that is dishonourable.

The Acting Speaker (Mr. Paproski): Resuming debate.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): I certainly hope that these unwarranted interjections are not using up my time in debate because I think it is an important topic. I want to continue to deal with it more fully. We have as of government to be able to continue to deliver existing programs. If it is not seriously dealt with, it is going to curtail the ability of future governments to continue to provide even the most basic services to Canadians. It is a serious topic and, yes, I would be pleased to stay here all day and answer questions relative to this particular topic to the extent that the rules allow.

• (1250)

What I was saying before the interruption was that the choice is open to government in dealing with this problem either to increase revenue or to decrease expenditures. There is no other way, as I do not think there is any other magic potion or magic powder that we

can throw out in this Chamber to make this problem disappear. It is just not possible. We have to deal with reality.

I would rather we did not have a national debt. This year the Government of Canada, without taking into account interest on the past debt, will have a surplus on its operations of $9 billion. However, with $39 billion to pay in interest on the past debt, the deficit is going to wind up at $30 billion. But if we did not have the debt of the past, if we did not have to service it, we could effect a reduction in taxes of $9 billion to Canadians. We could afford all sorts of programs. But we cannot. We are handcuffed as a result of that past debt.

It is fine for those opposite to try to interrupt, and I do not blame them, because after all they are the ones who created the problem. I am not here to waste time going back over the situation. I think Canadians know that, and they made the Liberals pay the price in 1984, as a result of their profligacy. What we have to do now is address the problem.

We can take in more money. How do we do that? Do we raise taxes? Yes. That has been done. We also try to put more Canadians back to work, so instead of drawing on the public purse they are contributing to it.

I am happy to say that this government through its policies has enabled the small business entrepreneurial sector in this country to create 1,500,000 new jobs, net, over the past five years more than there were in the fall of 1984.

That still is not good enough. We also have to curtail government expenditures. There is no other way to do it. We take in more money through increased taxes, take in more money through having more people working and not drawing out of the public purse. We also have to curtail government expenditures. That is the reason for the provisions in the budget of this spring, which asked all sectors of the economy, all departments of government to make some contribution toward the cause of debt and deficit reduction. It seems quite straight forward to me. There is no magic to it.

I think what Canadians would be very interested in hearing from those in opposition, rather than this sort of scatter gun criticism, objecting to every proposal we have to try to deal with the problem are some sensible, workable alternatives. If you do not like what this government is doing in terms of reducing expenditure or increasing revenues, then for heaven's sake, let us hear from you, not some sort of mindless interruption in the middle of someone's speech, but something concrete.

How is it going to be done? Is it going to be done through the medium of a wealth tax that the NDP proposes? Are we going to come back with the old estate tax so that after taxing people every year through their lives, you are going to hit them again when they die? The people of Saskatchewan had enough of that back in the 1970s.

Mr. Foster: You are going to hit them with the funerals.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Here they go, Mr. Speaker. Another interjection from the opposition agriculture critic who sat back in his administration and laid a capital gains tax on the agricultural community. That capital gains tax which hung like a poisonous cloud over the farm community for 15 years until this government came along, lived up to its promises and eliminated that hated tax. It is a tax which western Canadians and, I think, Canadians generally are going to remember for a good long time.

What I would like to encourage the opposition members to do at this point in time is to help out the producers of this country by agreeing to the speedy passage of this legislation so that the producers can get the cash advances. They want to get those advances, Mr. Speaker. That is what they are telling me.

Mr. Althouse: Who is holding it up? The government.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): The people who are holding it up, in response to the member from Mackenzie, are the opposition parties.

We have had five days of debate on this bill. The government has been forced to curtail debate because the opposition parties are not interested in helping the farmers of this country. If they were, they would assist our government not only in passing this legislation to enable the availability of the advances but would also assist the government in its measures to try to deal with

the national debt which they created, both parties over there, and the interest that has to be paid on it.

Mr. Althouse: Over half of it was done in the last four years.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): I hear some more crying from the opposition benches, but the fact is that it is the New Democrats who back in December of 1979 crawled into bed with the Liberal opposition, defeated the Conservative government and thereby condemned Canadians to five more years of the grossest kind of mismanagement and overspending that this country has ever seen. The figures are there. The national debt burgeoned under those twin evils.

Mr. Ferguson: You doubled it over the last four years.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): They are yelling it doubled over the last four years. Of course it has because the effect of compound interest on the past debt in fact has doubled it. There is no question about it. But every nickel of the national debt involves overspending by past Liberal-NDP coalitions plus the unpaid interest on those figures. Those figures are there for all to see, and opposition members know very well that that is the case.

This government has been left with a legacy of overspending by previous governments. The reason that government today is hamstrung in its ability to deliver programs and continue to do the things that Canadians want is the very deficit and debt problem that was left to us from the past.

We now have to find in excess of $39 billion to service that past debt. Now the opposition people say: "No, renege on it. There is no problem. Do not pay on the bonds, do not pay on the treasury bills, continue to build up the national debt as we did in the past, and let us become a banana republic". Well that is not very responsible. It is simply not good enough.

This government is going to continue to support the farm community through responsible deficit reduction.

I would like to refer opposition members to *Canadian Prairie Farming, 1960–2000, An Economic Analysis* by the Economic Council of Canada. The figures are in there. If anyone thinks this government has not supported agriculture, I urge you to have a good look into this book here. All of it is justified and we are proud of doing it, but do not ever say that this government has not supported Canadian agriculture.

The Acting Speaker (Mr. Paproski): I just want to explain to the hon. member for Winnipeg North that I thought he wanted an explanation on how the debate was going to carry on. It is 20 minutes without any questions and comments.

I agree that if we have unanimous consent the hon. member could pose a question, but I would have to ask the House if there is unanimous consent to allow the hon. member a question?

Mr. Milliken: Just consent of the member.

The Acting Speaker (Mr. Paproski): Would the hon. member entertain a question?

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I would be happy to entertain a question.

The Acting Speaker (Mr. Paproski): I must have unanimous consent of the House under the Standing Orders, in order to pose these questions and go beyond 20 minutes. It is beyond 20 minutes now. It is 20 minutes of debate, period.

Is there unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): The hon. member for Winnipeg North has the floor to ask a question, very fast. We only have 30 seconds left.

Mr. Pagtakhan: Mr. Speaker, would the hon. member for Swift Current—Maple Creek—Assiniboia not admit that had closure happened before his time to speak he would have had no opportunity to share his thoughts with us?

The same thing would happen now to other parliamentarians who would like to speak and share their concerns on this bill. Closure is always repugnant to a sense of fair play. It is the sword of Damocles to all parliamentarians, and it is a poison dart to democracy. Will he not admit that?

The Acting Speaker (Mr. Paproski): The hon. member has 15 seconds.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, it seems to me that in many other Parliaments debate is somewhat limited. The practice in Britain is to have one or two speakers on a bill. I think it is quite possible to say everything that is necessary to be said about a bill on behalf of a political party, in a very

short period of time. If there was a will on the part of this House to pass this legislation for the benefit of Canadian farmers, it could be done in very short order.

The Acting Speaker (Mr. Paproski): It being one o'clock, I do now leave the chair until two o'clock this day.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CANADA POST

Mr. Joe McGuire (Egmont): Mr. Speaker, rural Canada is under siege. Services and institutions which have long been an integral part of the lives of rural Canadians are being dismantled and removed.

For generations the post office has been a focal point of our rural communities. Today Canada Post is slowly but relentlessly proceeding with its agenda to remove the post office from these communities. Rural postal outlets are being opened in areas where the citizens have indicated they do not want them and they have no need of them. Why?

The answer is that it is the first step in the process to close the main post offices. When the postmaster or postmistress leaves for whatever reason, the post office will also be gone. A bond which holds the community together will be gone.

There has been no consultation with the municipalities involved. Canada Post officials attend meetings, spout the party line, leave, and the RPO policy continues. The closures continue. Rural Canada suffers. Canada Post officials have lost their credibility. People no longer believe them.

The Chamber of Commerce, other organizations and concerned individuals in my riding will continue to resist this erosion of postal service. This government cannot be allowed to abdicate its responsibility for quality postal service in this country.

SMALL BUSINESS WEEK

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, on the occasion of small business week, I wish to highlight the value we place on our small business community.

The future of small business in Canada has never looked brighter. With the increasingly international scope of economics and business, as well as the recent free trade agreement with our neighbour to the south, Canada can look with confidence toward the growth of a vigorous and competitive economy, the envy of every other nation.

Small business forms the backbone of the Canadian economy and is our firm guarantee of future prosperity. It is also a chief avenue of economic development for our multicultural communities. Almost one–third of Canadians have origins other than English or French. These citizens make up 50 per cent of those who own and/or operate their own businesses.

The entrepreneurial spirit is clearly alive and well in Canada. It is a solid foundation for our ethnocultural communities. Indeed, our social diversity in general constitutes a major asset in the building of our economy.

I would like to pay homage today to all those Canadians from our ethnocultural communities who have made such a vital contribution to the business life and over all economic growth of our country.

* * *

[*Translation*]

AUDITOR GENERAL'S REPORT

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, when the Auditor General's Report was tabled, we found that Canadians did not have sufficient access to information. Since certain types of abuse might never be revealed by a government that prefers to act secretly, it is time we provided the Auditor General with the tools he needs to do his job. It is imperative that any one who witnesses abuse of public funds be able to inform the Auditor General without fear of reprisal.

[*English*]

BANKING

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, the laundering of money from drug trafficking is a serious problem in Canada. Until last January when Bill C–61 was enacted, Canadian law never specifically made money laundering a crime. Bill C–61 encourages Canadian banks to establish their own private guidelines on what constitutes suspicious bank deposits.

I would like to commend the Royal Bank of Canada for going one step further by imposing a *de facto* reporting requirement for all large transactions. Since January, anyone making a large cash deposit at the Royal must sign a declaration of source of funds. That person must provide personal identification such as a social insurance number, passport or driver's licence. The signed form gives the bank permission to disclose the transaction to the police.

So far this year, the Royal has examined close to 100 suspicious accounts, and has reported 76 to the RCMP. On October 12, 1989, U.S. criminal charges were laid against a Royal Bank customer after police were tipped off by the bank about suspicious transactions. The Royal Bank should serve as an example for all Canadian banks to follow in the war against drugs.

* * *

VETERANS AFFAIRS

Mr. Bob Wood (Nipissing): Mr. Speaker, this government has allowed negotiations to break down between itself and the Public Service Alliance of Canada which represents Veterans Affairs and National Parole employees. These individuals have worked without a contract for almost three years. They are now being put in a position where they have to choose between their own needs and those of their clients.

We are talking about a group of people, most of whom are social workers, people who have dedicated their lives to helping others. This a moral dilemma for many of them. How do they reconcile their own needs for a reasonable salary with their desire to ensure that the aging veteran has someone he or she can count on to be there if a crisis arises?

I know many of the employees of Veterans Affairs to be dedicated and hard working individuals who devote many hours to making the veterans lives easier. Most give more devotion and energy to their jobs than any employer could reasonably expect. Who will the veterans turn to if these employees are forced to go on strike?

I have seen their demands and they are not unreasonable, but after three years with no increase in pay, they are being backed into a corner. Our veterans served us well when we needed them. They need veterans affairs services and they need them now. Please ensure that these employees are treated fairly so that the veterans are not hurt by Treasury Board's lack of good faith.

* * *

[*Translation*]

CANADA CAREER WEEK

Mr. Guy St–Julien (Abitibi): Mr. Speaker, when he announced Canada Career Week, to be held from October 29 to November 4, the Minister of State (Youth) said: "Canada Career Week gives young people a chance to plan for their future, aware of the changes that are taking place on the labour market".

Under the theme "Careers in Focus", Canada Employment Centres across the country will organize activities in co–operation with schools and community organizations.

Mr. Speaker, Canada Career Week is an excellent way to make young people aware of labour market trends and the importance of planning their studies in terms of their career requirements.

* * *

[*English*]

CANADA–U.S. FREE TRADE AGREEMENT

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise to bring the concerns of the Canadian printing industry about tariff reductions under the free trade agreement to the attention of the House.

The printing industry is united in its opposition to the accelerated elimination of the tariff on printing products. The massive capacity of the U.S. industry relative to

the Canadian industry and market has resulted in significant U.S. competition.

The Americans have been able to compete very effectively. Indeed, the balance of trade is significantly in their favour. Statistics Canada reports that over $276.6 million in printing products were imported from the U.S. while Canada exported only $132.7 million to the States, resulting in a trade deficit of $143.9 million.

Under the free trade agreement, the tariffs on printed products are scheduled to be phased out over five years. Now the government is talking about accelerating this to January 1990. The printing industry believes the acceleration of tariff removal will be disruptive and have a negative impact.

I urge the government to listen to the Canadian Printing Industry Association, the employers, and the Graphic Communications International Union, the workers, and do everything in its power to ensure that the removal of these tariffs is not accelerated.

* * *

[*Translation*]

CINEMA

Mr. Michel Desjardins (Témiscamingue): Mr. Speaker, movie buffs are meeting in Rouyn-Noranda on October 28 this year to celebrate the eighth edition of the International Film Festival in Abitibi—Témiscamingue.

Mr. Speaker, this important event has become a symbol of excellence in our region. Again, I want to congratulate the dynamic director of this festival, Mr. Jacques Matte, and his valiant team who for the eighth consecutive year will show us the best the film world has to offer.

The hospitality and warmth of the people of Abitibi—Témiscamingue have become a byword in this country and internationally, thanks to this annual festival which attracts an impressive number of actors and actresses, directors, distributors and media from all over the world. Welcome to Rouyn-Noranda! And three cheers for the 8th International Film Festival in Abitibi—Témiscamingue! Three cheers for Abitibi—Témiscamingue!

[*English*]

DISARMAMENT

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, this is Arms Control and Disarmament Week worldwide and a timely occasion, I am sure all members will agree, for Canada to show initiative, vigour and foresight in arms control and disarmament.

Parliamentarians for Global Action have provided Canada with an opportunity to reverse its intransigence in the face of meaningful action in this area. Canada can and should join the over 39 countries that back the call for an amendment to the partial test ban treaty on nuclear weapons, an amendment that would turn the treaty into a comprehensive ban on nuclear tests.

If the world threat of nuclear weapons is to be overcome, progressive industrialized nations have to take up the challenge on behalf of humankind. Canada cannot let pass the occasion to show leadership, especially now that it has a seat on the Security Council.

* * *

• (1410)

SMALL BUSINESS

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, the same spirit which drove the people to settle areas of Canada like my riding of Cariboo-Chilcotin flourishes today among the small business sector of our nation's economy. The hopes, the hardships, the risks and the rewards all characterize the spirit of the people who built this country and who continue to make it grow. In fact, in my riding, fully 85 per cent of the jobs depend on small business.

Small business is the life-blood of the Canadian economy, and as it grows, so Canada grows.

* * *

INDIAN AFFAIRS

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I rise today to defend my rights as a member of Parliament. As you know, I have brought the educational crisis which is taking place on the Six Nations Reserve to the attention of this House and the minister on a number of occasions. I have continually asked the minister to

meet Chief Montour to resolve the situation and to get the students back to school as soon as possible.

Finally, the minister, on the recommendation of the commissioner of the Indian Commission of Ontario, has agreed to meet Chief Montour tomorrow. I was asked by Chief Montour to attend the meeting as their member of Parliament, but much to my shock, I was informed by Chief Montour that the minister had informed him that he was not prepared to meet with them as long as their member of Parliament was there.

As a member of Parliament, I will not stand in the way of this meeting, but I believe that this is a direct attempt to circumvent the electoral process. This minister is challenging my rights as a member of Parliament to represent my constituents in the best way I can. What does he have to hide? I call on the minister to resolve this situation and to meet the chief in an open and honest manner. This is not the time to bring in more broken promises.

* * *

UNEMPLOYMENT INSURANCE ACT

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, last night this House held multiple votes on the report stage of the legislation to improve the management of the Unemployment Insurance Act, Bill C–21. We had a total of 23 standing votes. The record will show that only 26 socialists voted for their opposition to our government's Bill C–21 on unemployment.

The official public record will also show that by the time we reached the last vote last night, the socialists objection to the government bill had declined by 50 per cent and only 13 voted against the government. Ergo, our government support is growing in the ranks of our socialist friends. The official government record confirms that the New Democratic Party is not at all convinced of its position and NDP members are prepared to abstain or be absent from the House for a vote they screamed so loud to have.

* * *

UNEMPLOYMENT INSURANCE ACT

Mr. Jim Karpoff (Surrey North): Mr. Speaker, Bill C–21, the government's UIC bill, is now raising municipal property taxes all around Canada. By increasing UIC employers' contributions, a whopping 21 per cent as of January 1, local municipalities and school boards must raise property taxes to cover premium increases of up to $180 per employee.

In my riding of Surrey North, this means an additional $814,000. In the city of Vancouver, it is $2.3 million. In the city of Toronto, not counting its suburbs, it is $3.4 million.

UIC and job training are the responsibility of the federal government, not the local governments. What cash assistance is this government willing to provide local municipalities to pay the increases in UIC premiums? None! The government is forcing municipalities to raise property taxes and forcing more people out of their homes.

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[*Translation*]

SCIENTIFIC RESEARCH

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, today is a memorable day indeed. The Minister of State (Science and Technology) has just announced the names of 14 centres of excellence selected under the network of centres of excellence program which has a budget of $240 million. The selection of these networks is a decisive stage in a series of efforts made by the Government of Canada to promote long-term basic and applied research in Canada.

The program is a challenge to researchers to abolish boundaries between disciplines, schools of thought and institutions, and work together on developing projects aimed at improving the competitive position of industry across this country.

These networks are an excellent way to promote excellence in the field of scientific research in Canada.

Mr. Speaker, on behalf of the Canadian Government and on behalf of all my colleagues, I wish every success to the researchers who obtained these contributions through the centres of excellence networks.

[*English*]

RESEARCH AND DEVELOPMENT

Mr. John Manley (Ottawa South): Mr. Speaker, I am responding today to a report prepared by the PC Quebec caucus complaining that too much federal research and development money is spent in the National Capital Region. In complaining, the report ignores the fact that most departmental research is carried out in the National Capital Region as well as the concentration of federal laboratories operated by the National Research Council.

The report implied that the level of R and D spending in the National Capital Region is excessive and that more should be spent in Quebec. The Minister of Communications is quoted as saying that there is a problem and agreeing that his province should get more.

Although it is natural in politics, members of the House should avoid the temptation to jump on the bandwagon of demanding more R and D money for their regions. R and D is too important and the money is too scarce for it to be thrown into the political pork-barrel.

All regions in Canada should be doing more R and D, but you do not increase the level of R and D in Canada by moving existing activities from one region to another. Investment in science must take into account the best interest of science. Regional considerations should only play a role when international experts have made location one of the technical determinants. Politicians should not pretend to be experts when they are not.

I call upon all members of this House and upon the government to denounce the pernicious and parochial attitude about science revealed in the Tory caucus report.

ORAL QUESTION PERIOD

[*English*]

AUDITOR GENERAL'S REPORT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns the government's continuing refusal to provide receipts on ministerial travel to the Auditor General.

Yesterday I brought to the attention of this House that Treasury Board guidelines had been doctored in September, 1989 removing a crucial sentence referring to the Auditor General. I have since found another instance of changing the rules where the words "for audit purposes", referring to travel receipts, have also been removed from the September, 1989 version of the guidelines.

I ask the Deputy Prime Minister: Why did the government doctor those rules? Why does the government not want the Auditor General to see these files?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, there is no doctoring of the rules here. The guidelines were issued for the first time in November, 1988 and all guidelines of Treasury Board are reviewed periodically to make sure they are consistent. I have been told that these were changed as a matter of course in 1989 to reflect the situation that existed. It was only to reflect the decisions that had been taken years and years ago and by which governments had abided over the years.

Mr. Boudria: Mr. Speaker, I think the minister just told us that the rules were amended to save embarrassment for the government.

[*Translation*]

My supplementary is directed to the President of the Treasury Board.

Yesterday, the Minister's answer to my question was that they would provide figures on the travel expenses of each minister on a regular basis. Mr. Speaker, this information is already available. We can find all that out simply by reading the Public Accounts. That is not what the Auditor General of Canada wants to know.

Is the Minister now prepared to give us some real answers? Is he prepared to hand over the receipts for travel expenses to the Auditor General, as the latter requested? Yes or no?

Is he prepared to hand over to the Auditor General the letters from ministers requisitioning government aircrafts, as the Auditor General requested? Yes or no?

[*English*]

Mr. de Cotret: Mr. Speaker, I would like to repeat what I have already said to this House. I have asked the Comptroller General to ensure that they had a complete record of ministerial expenses and that that record be made available on a regular basis to anybody who wanted it.

• (1420)

Yesterday, I was also asked a very pertinent question about the use of government aircraft during election campaigns. I went into the record in somewhat more detail to be forthcoming and open with the Opposition.

During the election campaign, the government had used aircraft on five occasions in October and five occasions in November, 1988. Upon verification, out of those 10 trips, the Governor General used the aircraft seven times. Two of the trips were in November after the election. We only had one official trip during that period and that was for a Canada—U.S. anniversary of the Blue Water Bridge in Sarnia. That happened the day the election was called. That compares to the statistics that I have for the 1984 election. There were 38 trips. I would just like the Opposition to explain what they did on those trips.

Mr. Boudria: If the minister is so convinced that he is right, why does he not provide this House with the receipts. That is the question I want answered.

In his book, *Where I Stand*, the Prime Minister wrote about government spending at page 46, and I have a copy of that book here that was recently purchased for 99 cents at Coles. It says at page 46:

> My starting point on the issue of government spending is freedom of information. We cannot even begin to come to grips with this problem unless and until the books of government are opened up so that we can all see what is being done with the cash.

I would like to know why we cannot see the receipts. Why can we not see what is being done with the cash?

Mr. de Cotret: Mr. Speaker, yesterday and the day before I told the House that we would give the total travel expenses of each minister, that we would give the number of times that each minister used a government aircraft, the date, the itinerary, the names of all passengers on each trip on government aircraft, the reason for the use of government aircraft, the cost of the use of government aircraft, which is essentially what the Auditor General was asking for.

I can also say that when I look at some of the numbers that will be presented to this House, I find that when we talk about the use of government aircraft in the last year, we are 62 per cent below in the utilization of the fleet by the previous government in the last 12 months that it was in office. I think that is a very good record indeed.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the President of the Treasury Board. It concerns this government's refusal to provide the Auditor General with all of the documents regarding the use of VIP aircraft.

On October 24, the President of the Treasury Board said, and I quote from page 5051 of *Hansard*:

> We will provide on a regular basis the total travel expenses of each minister, the number of times he takes an aircraft, where he is going, who he is going with, his itinerary, the reason for the use of the aircraft and the cost of the government aircraft.

The Auditor General is not asking if the aircraft was used. The Auditor General is asking why the aircraft was used.

If the minister is willing to provide the information for future trips, why is he refusing to provide the same information to the Auditor General on past trips? Why is he stonewalling? What has this government got to hide?

Mr. de Cotret: Mr. Speaker, I think we took good note of what the Auditor General had to say. We read the report carefully. I immediately talked to the Comptroller General of Canada and asked him to make sure that this information would be available on a regular basis for anyone who wanted to have access to it. That is the government's commitment to openness and accountability and the government's response to the Auditor General.

Mr. MacDonald (Dartmouth): Mr. Speaker, my supplementary question is for the same minister. The minister is simply trying to confuse the situation. It is fact that the Department of National Defence maintains certain log records which are now available to the public. However, the Auditor General wanted to see the letters of request which would indicate the purpose for which the VIP aircraft were used and whether or not the

Treasury Board guidelines were followed and if appropriate charges were made to those ministers.

My question to the minister is simple. Will he or will he not give the Auditor General all of the documents requested but denied for the period commencing April 1, 1989, yes or no?

Mr. de Cotret: Mr. Speaker, this is the first time that a government has provided all this information as openly and accountably.

Some Hon. Members: Hear, hear!

Mr. de Cotret: In addition to the list that my hon. colleague just read out, I would also like to say, and I made a commitment before this House, that we will have a thorough review of the accounting practices in terms of the cost of the executive fleet and that report will be tabled in this House. I have asked for the report of the Comptroller General and I expect to have it in the following weeks. We will table it for everybody to see. I cannot understand why my hon. colleague is talking about stonewalling or hiding anything. We are open and accountable.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. McCurdy: If these expressions of support will end, my question is for the Minister of Finance.

Yesterday, the minister said that his 9 per cent GST on just about everything that moves could not be reduced. In Montreal last night, he refused to give Canadians assurance that it would not increase.

Can we assume from these remarkable statements that in fact the GST will rise if it is introduced at the same rate as the manufacturers' sales tax has increased since this government has been in office?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I was going to wish the hon. member all the best in his current endeavours but he seemed to turn that one off with the preamble to his question so I will restrain myself.

I have commented on a number of occasions in this House, as the hon. member is aware, on the very important balance that is in the package of measures that form the GST system and the difficulty of changing just one of those. It is not possible. If people want lower rates, they have to accept a reduction in things like the credit to the middle income reduction or the payment to small business. Those are very important elements. I have just commented very specifically on the difficulty of making changes to those very important fairness elements in the package.

The hon. member has commented on the fact that I cannot make any guarantees for future governments. I am sure he understands that that is not possible to do. In this House I have said that barring unforeseen circumstances, we do not anticipate that rate changing.

However, those are things that any government has to maintain some flexibility on.

Mr. McCurdy: Mr. Speaker, the Minister of Finance talks about balance in the system. One of the problems is that most ordinary Canadians see the system that he is advocating as being severely imbalanced in favour of the rich as compared to the poor.

I would simply direct this question to the minister. In view of the record of this government which in its time in office has increased the manufacturers' sales tax from 9 per cent to 10 per cent to 11 per cent to 12 per cent to 13.5 per cent, would it not be fair for the taxpayers to assume that if this tax is introduced, on the basis of the government's record that eventually the taxpayers are going to be bled dry by increases in the GST just as they were by the manufacturers' sales tax?

Mr. Wilson (Etobicoke Centre): The hon. member has raised two points that I would like to address. The first is that he says that this new GST system is weighted against those with lower incomes and favours those with upper incomes.

• (1430)

Let me remind the hon. member that when we came into office low income people were paying two or three percentage points more of their income in sales tax than people in upper income brackets. But, with the refundable sales tax credit and now the goods and services tax credit under the proposed system, those with low incomes will pay two percentage points less of their income in sales tax than those in upper incomes. Clearly we have shifted the whole balance of the sales tax system in favour of those in lower income brackets.

The hon. member has raised a second point relating to what could happen in the future. The only assurance that any taxpayer has that tax rates will not increase is if a government controls its spending. We have controlled program spending of the Government of Canada to 3.5 per cent over the last five years, on average. That is less than the rate of inflation.

In that same period of time the average of the provinces has been 6.4 per cent. One province, Ontario, has raised its program spending, on average, 9.5 per cent. That is the best assurance. If we continue that record of keeping program spending lower than the provinces, that is how Canadians can be assured that the tax burden will not be increased.

Mr. McCurdy: Mr. Speaker, the average taxpayer is going to be interested in that carefully crafted answer which ignores the additional $2,000 a year in tax being paid by ordinary taxpayers.

The minister asks us to trust him. The Auditor General pointed out in his report that 1,500 tax collectors could not collect the manufacturers' sales tax from 75,000 accounts, with either adequacy or fairness, and that that has been a cost to the ordinary taxpayer.

How does the minister think it is possible that one million accounts are going to be served by only a two to threefold increase in the number of collectors without adding still a greater burden on the shoulders of the ordinary taxpayer?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me draw to the attention of the hon. member the difference between the existing federal sales tax and the goods and services tax. Under the existing tax for those 75,000 taxpayers there are 22,000 separate deals between Revenue Canada and the individual taxpayers. These have developed over the years. They have resulted in the most complex form of sales tax system that anyone can imagine anywhere.

Surely the hon. member can understand why we want to move away from that system into a far more simple system, the goods and services tax, which will require far fewer people per taxpayer to administer and will allow us to ensure that there is not the same sort of tax avoidance that is there under the existing system, to which the Auditor General has referred. That, we have said, is one of the key reasons we must move from the existing system to a new system where there will not be that same form of tax avoidance.

* * *

[*Translation*]

RESEARCH AND DEVELOPMENT

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is directed to the Deputy Prime Minister. On May 24, the minister of Industry, Science and Technology stated, and I quote: "We are going to promote research and development. We want to support the winners".

Could the Minister give us the assurance today that Canadian winners will remain in Canadian hands?

[*English*]

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, in terms of Canadian companies, all of those takeovers to which my hon. friend refers are looked at by Investment Canada. They are looked at in terms of net benefit to Canada. That is the important thing—net benefit to Canada.

[*Translation*]

Mr. Peterson: Mr. Speaker, I have a supplementary. That is exactly what you did with Lumonics, Lee Instruments, Xicom and all the other high tech companies we sold to foreign interests.

[*English*]

In the same speech the minister proudly announced: "I am confident we have the individual pieces it takes to establish an industrial research and development strength to take us into the next century."

And, at the same time this government, is negotiating the sale of Connaught to the Government of France. Why does this government consider the Government of France to be one of the key pieces that we need to make our economy great?

Mr. Winegard: Mr. Speaker, unlike the previous government, this government does not negotiate the sale of anything. This is a private deal that is being worked upon.

Some Hon. Members: Oh, oh.

Mr. Winegard: When Connaught and Merieux have a deal that satisfies Investment Canada and the minister, I am sure the minister will rule on it.

If they want to talk about research and development, why do they not talk about the centres of excellence program announced just an hour ago? Why do they not talk about $240 million going into R and D in this country?

Some Hon. Members: Hear, hear!

* * *

AUDITOR GENERAL'S REPORT

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the Minister of Employment.

As the minister knows, statements on unemployment, the numbers of jobs lost and jobs created are based on the Statistics Canada monthly labour force survey. According to the Auditor General the sample sizes of the labour force survey have been reduced due to recent budget cuts and consequently, he says, the accuracy of the survey is now doubtful. In 1986, 5,217 households were dropped from the survey.

Since these unemployment figures are widely used not only in economic planning but also for job creation programs and employment services, what does the government intend to do to restore the labour force survey as a credible source of information for Canadians?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I am aware of the Auditor General's recommendation. As with all his other recommendations, we will be looking at them within the context of what we do within our department.

One of the things that has happened in terms of the labour force statistics is that sample sizes change over time, in part having to do with the increasingly sophisticated techniques that surveyors use. Having said that, I have discussed with my officials looking at the labour force statistics how they can be improved.

Mr. Allmand: Mr. Speaker, the Auditor General has said that due to budget cuts Statistics Canada is not able to give accurate information on unemployment to Canadians. As the minister knows, the labour force survey is also the main source of data for unemployment insurance and, depending on the unemployment rate in the different regions, eligibility and duration of benefits will vary considerably.

If these figures are not accurate, unemployed workers could be cheated of benefits, and this could be even worse under Bill C-21.

I want to ask the minister: When will the report on the new economic regions for unemployment insurance be made public, and what will the minister do to assure accurate figures for these regions?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I want to assure Hon. Members that we have done our job as a responsible government, because in the last twelve years, no review of the economic regions was ever done. When the committee is ready to submit its recommendation, I will be very pleased, as minister responsible, to announce it to the House of Commons.

* * *

[*English*]

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of the Environment. The all-party Standing Committee on the Environment spent the last two days in Washington, D.C. encouraging Congress to do the right thing: to hold firm on cutting SO2 emissions by at least 10 million tonnes by the year 2000 and to cap new emissions.

Canada has yet to legislate a national cap on acid rain. Will the minister assure this House that there will be a national legislated cap in place within the time frame we are urging on the United States, which will likely be Earth Day in April 1990?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, current control actions in the seven eastern most provinces of Canada have already resulted in a 40 per cent reduction in emissions. In 1994 we will have achieved a full 50 per cent target. This means that by then Canada will have reduced its emissions by 2.3 million tonnes. It is clear to this government that we cannot allow emissions to increase after that, so we need a cap.

• (1440)

This is an item on the agenda of the Canadian Council of Ministers of the Environment. We have a committee which is responsible for devising recommendations. We think the motto should be to secure a national cap in those seven provinces through negotiations at the CCME level and then to secure the cap through legislation. A possible motto could be, for example, what we did for the controls which presently exist, that is, to use the provincial legislation process.

Mr. Fulton: Mr. Speaker, my supplementary question is for the same minister. Time is of the essence here. The cap in the United States is under real threat from some very powerful forces. If Canada is to expect the U.S. to cap emissions to protect the environment from future acid rain sources, then the same principle must apply here and to date only Ontario has agreed to cap emissions.

Will the minister take steps between now and March of next year to see that legally enforceable limits or caps are in place for the other nine provinces and two territories, or is the U.S. legislation without a cap something the minister finds acceptable?

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, I just said what we are already doing to reach this goal. As far as the western provinces are concerned, we all know that happily there is no acid rain problem there. But, we think that we will also need targets and schedules there for the future.

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[*Translation*]

CANADA POST

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is for the Minister of National Health and Welfare. In 1982, the Department of National Health and Welfare had to intervene to send perishable foodstuffs to northern Québec. Today, Canada Post Corporation is about to increase its rates by 32 per cent, 45 per cent and even more as a result of a decision that the Treasury Board made in April 1989 to cut $1 million from its subsidy for the shipping of parcels in the North. My question is as follows.

By November 13, 1989, could a moratorium be declared on rate increases set by Canada Post Corporation for essential products like dairy products, fruit, vegetables, bread, food and children's articles?

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, on behalf of my colleague, the Minister of National Health and Welfare, I want to reassure the Hon. Member for Abitibi. I know and realize the importance of his question and I want to assure him that this Government is also very concerned. All Ministers directly involved in finding a solution plan to meet and have been contacted. I know that my colleague who is responsible for Canada Post is also to call a meeting shortly to try to find an appropriate solution to the present situation.

* * *

[*English*]

PWA CORPORATION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Deputy Prime Minister. The Bureau of Competition Policy allowed PWA Corporation, the owners of Canadian Airlines International, to take over Wardair thereby giving two airline companies in Canada control of 98 per cent of the market. Now PWA is selling all the aircraft it took from Wardair, plus 11 of its own.

It is evident that PWA had no intention of carrying on any of the service of Wardair. All it wanted to do was get rid of a troublesome competitor.

Could the Deputy Prime Minister tell us what assurances the government required from PWA that it would at least provide service in a major portion of the market formerly provided by Wardair? Could the Deputy Minister tell us what benefit there is to the consumers of Canada from the cannibalization of what was once Wardair?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member has raised a number of points about the merger. He recognizes that the Minister of Consumer and Corporate Affairs is not present in the House. The minister will reply to him at the appropriate time.

Some Hon. Members: Oh, oh!

Mr. Ouellet: How about the Minister of Transport?

Mrs. Campbell (South West Nova): The Deputy Prime Minister is here.

Mr. MacLellan: Mr. Speaker, I would expect on a subject as important as this to Canadians and to the Canadian consumers that the government would be a little more forthcoming with an answer, particularly since it is obvious that not only could PWA not afford to buy Wardair, it could not afford to keep the airplanes it already had, because it is selling 11 of its own along with the 15 it got from Wardair.

Will the government, will the minister, will the Deputy Prime Minister, will somebody tell us what assurances they got from PWA as to the financial strength of PWA? What level of financial strength was required before they let this takeover go ahead?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I would like to remind the member from The Sydneys that if PWA had not bought Wardair we would not have that service at all today.

Mr. MacLellan: What's the difference?

Mr. Bouchard (Roberval): The member should know that we would have had hundreds or thousands more lay-offs if PWA had not bought Wardair some time ago. The member knows very well that PWA is trying to rationalize its operations in a way that will enable it to provide service by Canadian Airlines on former Wardair routes. The member knows that very well.

I believe this was a good deal because it permitted hundreds and thousands of Canadians to keep their jobs, jobs they would otherwise have lost.

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AIR CANADA

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I also have a question for the Minister of Transport. As he will know, Air Canada has pulled out of Sept Iles, Quebec; Sydney, Nova Scotia; Gander and Stephenville, Newfoundland, just to name a few.

In the case of Stephenville, Air Canada has refused to enter into a joint fare arrangement with First Air which would allow it to provide a replacement jet service to Stephenville. Air Canada has not only decided now where it will not fly, it is also dictating that nobody will fly there and, in the process, making a sham of airline deregulation.

Why did the government not foresee this cowardly stranglehold application of deregulation, and does the minister condone this bullyism?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I want to say first that Air Canada is a private corporation which has the right to fly where it wants and where it can provide services. Stephenville has services which will be provided by another company. I believe that my friend knows that very well.

Dealing with the question of deregulation I would like to quote an outstanding Canadian. His name is Max Ward. He said recently: "The airline business has been strangled by politicians who between 1946 and 1984 did not understand the way that aviation has to run". I think the member has his answer about deregulation.

Mr. Simmons: Air Canada is private, yes. That does not give it the option of dictating who will have service in this country.

This refusal effectively gives Air Canada and the other national airline the ability to carve up the territory, to decide who is going to have service and who is not going to have service right from Whitehorse to Stephenville.

I ask the minister: What steps does he intend to take to ensure that there will be unfettered competition in the airline industry rather than Air Canada's kneecapping approach to protecting its markets?

• (1450)

Mr. Bouchard (Roberval): Mr. Speaker, rather than trying to scare the people of Newfoundland, particularly in Stephenville, about air transportation the member should say that Air Atlantic immediately covered the flights Air Canada withdrew and actually we have an increase in the number of departures each day.

It demonstrates that the private sector can sometimes provide more services in this country than could the air transportation companies we had before.

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FISHERIES

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, my question is for the Deputy Prime Minister.

On October 2, the minister of fisheries told the House: "fishermen in Atlantic Canada are enjoying a year which is prosperous and adequate". On the other hand, just a couple of days ago the Minister for International Trade said: "This fishing industry is in trouble— that is the state of the fishing industry at this moment—your arse is in the pickle".

Will the Deputy Prime Minister take under advisement appointing someone as minister of fisheries who has some appreciation of the problems facing the fishing industry on both coasts of Canada?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I hate to be quoted incorrectly. By the way, the Minister of Fisheries and Oceans just announced today an additional $28 million for increased aerial surveillance and enforcement measures in connection with the fishery, both in eastern Canada and western Canada. He is well aware of the needs of the fishery.

The Hon. Minister of Fisheries and Oceans has been pointing out that it is not all gloom and doom, that the fishing industry today is contributing far more to the Gross National Product than it was a few years ago, and that there are healthy sectors of the fisheries. And of course, as we all know, there are sectors of the fishery that are in difficulty because of the resource.

I could read the whole quotation but I won't. I could give the illustrious story that I gave yesterday but I won't because it might take too long.

Mr. Stupich: Mr. Speaker, the Minister for International Trade should listen to the Minister for International Trade.

On October 16, the free trade panel ruled against B.C. salmon and herring regulations. Both the minister of fisheries and the Minister for International Trade promised consultation with the people who are under the gun. The only consultation to this point in time has been between the Canadian and the U.S. Governments. Only 20 days remain of the 61 we had. When will the promised consultation with the people in B.C. begin?

Mr. Crosbie: Mr. Speaker, since the panel report was received the government has, as it has been doing constantly during the resolution of this dispute, had consultations with the Government of British Columbia which does not wish the panel report implemented but which in its letter to me has acknowledged that never has it experienced such a process of consultation as it has experienced with us in this issue.

We have had consultations with the fishing industry of British Columbia. We have had consultations with the fishing union of British Columbia. We have had consultations—

Mr. Fulton: Not true.

An Hon. Member: Not that we're aware of.

Mr. Crosbie: They're never aware of very much, and they may not be aware of the fact that they have been consulted with.

We have had consultations with the governments of the Atlantic provinces as well which have an interest in this issue. So there has been a great deal of consultation.

I would ask the hon. gentleman to remember that this is a panel report delivered by a Canadian chairman with two Canadian members and two American members, so he should give it some weight.

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REPRODUCTIVE TECHNOLOGIES

Ms. Mary Clancy (Halifax): Mr. Speaker, in the absence of the Prime Minister, my question is for the Deputy Prime Minister.

As is well known, reproductive technology does not include abortion.

What assurances can the minister give that the Royal Commission on Reproductive Technologies will deal expeditiously with the urgent issues before it, including surrogate parenthood, infertility and test tube conception, and not be diverted by the quite separate issue of abortion?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, this is another example of our Government's responsible attitude. We promised to appoint a commission on reproductive technology. The commission has a mandate that is very specific and that will be kept entirely separate from the abortion issue. Appointments were made above all on the basis of qualifications and knowledge and experience in the area of human rights, and we have a commission that will do its work under a

specific mandate with qualified people and a specific goal which is entirely different from the abortion issue.

Mrs. Clancy: Mr. Speaker, my supplementary is also directed to the Deputy Prime Minister.

The Minister's intentions are honourable, but it is absolutely crucial to exclude abortion from the debate. Will the Minister make it quite clear in the commission's mandate that abortion is not a part of that mandate?

Mrs. Vézina: Mr. Speaker, I think the commission's mandate is quite clear, in that it asks the commission to examine the implications for health, research and the public interest and to recommend policies and advise on precautions that should be taken in the case of existing and future medical and scientific programs.

We are preparing for the present and working for the future, in order to avoid the kind of situations we see today.

* * *

[*English*]

FORESTRY

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, my question is for the Minister of State (Forestry).

Last July the minister admitted that the 15 per cent export tax on softwood lumber had a devastating effect on the industry. The minister is quoted as saying that he would present the Americans with a proposition to test the grounds before he sent them a termination notice to cancel the Memorandum of Understanding.

Could the minister inform Canadians on the progress of his action?

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, it is true that I said earlier this year the softwood lumber tax was a minor factor in the non-congenial economic circumstances of the lumber sector, particularly in the hon. member's area of northern Ontario.

We have served notice on the United States that we wish to revisit the issue. At the same time we are holding discussions with the provinces, which is a necessary and important ingredient in developing and assembling the necessary evidence with which to approach the Americans with the proposition to eliminate the MOU.

Mr. Bélair: Mr. Speaker, my supplementary question is for the same minister. Indeed, northern Ontario has suffered greatly with this tax. He has just indicated that the Americans are willing to listen.

What can we expect from the American Government on this?

Mr. Oberle: Mr. Speaker, I said that we have served notice on the Americans that we want to revisit the issue. I did not say that they have shown readiness to listen.

What I have said is that we are constructing the evidence that will provide us with the necessary authority and jurisdiction to negotiate out of the MOU.

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PROPOSED GOODS AND SERVICES TAX

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is for the Minister of Finance. Only last year the Prime Minister promised to improve not destroy medicare.

Last night the Canadian Medical Association appeared before the finance committee. The doctors questioned this government's commitment to medicare. They stated that the goods and services tax will dramatically increase the cost of running our hospitals and increase the operating costs for doctors and other health care professionals. They indicated that the goods and services tax will increase health care costs.

Will the Minister of Finance explain how adding to the cost of Canada's health care system through the GST constitutes an improvement to that system?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have not read the full report of the Canadian Medical Association but the hon. member, I am sure, is aware that medical services, medical devices, and prescription drugs are all exempt under the goods and services tax.

I think that that demonstrates very clearly our commitment to the health system in this country, a commitment that we have maintained for many, many years.

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, that certainly is not what the doctors said last night. Surely they know more about the front line of health care than does the Minister of Finance.

Would somebody responding on behalf of the minister of health like to contradict the doctors on this point? Will they now admit that the goods and services tax will increase the cost of medicare, or are they disagreeing with the doctors, saying that the doctors do not know what they are talking about?

• (1500)

Mr. Wilson (Etobicoke Centre): I will answer in the same way, Mr. Speaker. I have not had an opportunity to read the specific statements of the medical association. Clearly, medicare is exempt.

The treatment of hospitals is such that they will not be required to pay any additional sales tax under the new system relative to what they are paying under the old system. In each of these ways we have responded in a way that demonstrates our commitment to the health care system in this country.

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PROPOSED RESEARCH CENTRE

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, my question is for the Minister of the Environment. At this time last year during the election campaign the Prime Minister was telling no less than the United Nations that Winnipeg was going to get a centre for the international promotion of sustainable development. We were excited about that because finally we were going to get something out of this government. But now we are not too sure.

The government and the Cabinet have suddenly become very silent about this centre. Rumours fly. I want to know from the minister right now are we going to get that centre? If so, when are we going to get it?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I would encourage the member to maintain his excitement at the same level as before. We are actively working with Manitoba and CIDA on the negotiation of an agreement to set up this magnificent centre. It is very important for us.

Point of Order

We are on the eve of striking a final agreement with the province and all interested parties. My officials are working very actively on it. Stay tuned. You will have more news in a few weeks.

Mr. Harvard: Mr. Speaker, that is encouraging, but I can tell the hon. minister that it is always very difficult to get excited about anything regarding this government.

My supplementary question is for the same minister. Again, there are a number of rumours flying about this centre. What we have heard is that if we do get the centre it is going to be a mere shell, that it will be nothing but a token operation, that it will be nothing more than an administrative office, and that real jobs and real contracts will go elsewhere in the country.

My question is: can the minister assure us that the centre is coming to Winnipeg? Can he also assure us that this will be a centre with real contracts and real jobs, meaning something real for the City of Winnipeg and the Province of Manitoba?

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, in spite of all those rumours, probably created by the member himself, there will be a real centre with real content, real substance, a real mission, real people and real success.

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POINT OF ORDER

REQUEST FOR TABLING OF DOCUMENT

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I rise on a point of order arising out of what I thought at the beginning was one instance in this question period, but as it turns out it was two. In doing so I refer to Beauchesne's, citation 327(1), which states:

> A Minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he be prepared to lay it upon the Table.

I would note further in citation 327(5) it states:

> To be cited, a document must be quoted or specifically used to influence debate.

Citation 327(7) states:

> When a letter, even though it may have been written originally as a private letter, becomes part of a record of a department, it becomes a public document, and if quoted by a Minister in debate, must be tabled on request.

During the course of his responses to questions from the hon. member for Glengarry—Prescott—Russell, the hon. President of the Treasury Board consistently and

persistently quoted from a document he was holding in his hand having to do, presumably, with plane trips taken by ministers. I would submit that that having been the case he is now duty bound to table that document.

As well, and for the same reason, when he was responding to a question from the hon. member from Nanaimo—Cowichan, the hon. Minister for International Trade cited and, indeed, quoted from a letter from the Government of British Columbia to his department. I submit that he, too, is now duty bound to table that letter.

Hon. Robert de Cotret (President of the Treasury Board): I was quoting from this document, Mr. Speaker, and I would be happy to table it.

Mr. Gauthier: How do you know it is the same document?

Mr. de Cotret: If the members want special copies I would be happy to provide them.

Mr. Ouellet: Table all the receipt books at the same time.

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PRIVILEGE

CENTRES OF EXCELLENCE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a question of privilege.

I think it is a collective right of all members of Parliament to be treated on an equal basis. It is a question of equity that information available to a member of Parliament is shared by all members of Parliament.

My question of privilege arises from the press conference that was held today by the Minister of State for Science and Technology dealing with the network of Centres of Excellence. I was very happy to hear about the announcement. I am proud to say that the University of Ottawa in my riding will be more than happy to have seven of those centres operating.

I am very distressed by the fact that last night all Tory members were informed by electronic mail, that is, the House of Commons network of—

An Hon. Member: How do you know?

Mr. Gauthier: I know because two Tory members told me.

An Hon. Member: Do you believe them?

Mr. Gauthier: Whether I should believe them or not is not the question.

I also know further, Mr. Speaker, because the office of the member for Ottawa South called the minister's office and was informed that, indeed, all Tory members had been informed last night by electronic mail that this morning all ministers would receive copies of this brief and this announcement and at maybe one o'clock or later this afternoon the rest of us would hear about this announcement.

My question of privilege, Mr. Speaker, involves a question of equity. I am not questioning the value of the announcement nor am I questioning its contents. I am just saying that if it is true that we are all equal in this place—

Mr. Lewis: It is not true.

Mr. Gauthier: I hear the Minister of Justice say, "It is not true". If it is not true then something should be done to rectify that kind of a situation.

I believe it is a custom, a practice, a long-standing habit of governments to want to share good information with all members. This is good information.

I ask why the government is so secretive, so paranoid about information that it fails to tell all members of Parliament including those of the Liberal caucus, and those of the New Democratic caucus, about this announcement.

My question of privilege is simple. I do not like being treated as a second-class citizen in this place. I do not think it is fair. I do not think it is right. I do not think it has to be the practice of this government, even though I am told that there are other events in past history where this very same government was very secretive and made announcements outside the House without informing us.

My point is that in this case the government did inform its members that there was a press conference at the Museum of Natural History, that they should be there if they wanted to hear about it. We were not invited, Mr. Speaker. I find that totally irresponsible and unacceptable.

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, I do not think anyone was notified last evening. What should have happened was that at 12.30 p.m. today all members of this House should have had the kit announcing the press conference at one o'clock this afternoon.

Mr. Gauthier: Mr. Speaker, I take the minister's word. He said "should". That is conditional. I am just telling him that his office told us this morning that last night his own members were informed. I can understand that maybe he will want to go into his office and ask who is putting out this wrong information. I take the minister's word for it. It should have happened as he described. It did not happen. I regret that.

• (1510)

Mr. Winegard: Mr. Speaker, if the documentation did not arrive on the desks of the opposition members this morning, I apologize. The plan was to have it on all members' desks before the press conference at one o'clock.

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POINT OF ORDER

PUBLIC ACCOUNTS

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, yesterday, I was advised by the House of Commons Comptroller, Mr. John Ferrier, that the figures listed in the schedule of MPs' expenses in the Public Accounts of Canada, Volume 2, Part 2, as they relate to me are completely incorrect. The House of Commons Comptroller has notified the President of the Treasury Board of this mistake, as I have, and apparently the correction has been made.

The correct figures for my indemnities, expense allowance, and travel allowance should have read as follows: $58,725, $19,525, and $30,275.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to ask the Government House Leader to give the customary statement of business which the Government House Leader will be calling over the coming week.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, we are giving a great deal of consideration to forthcoming business. We want, as always, to be as equitable as possible to the spokespersons for the opposition. I anticipate that before the close of business today we will be able to give that statement.

Hon. André Ouellet (Papineau—St-Michel): Mr. Speaker, I have a question for the Government House Leader. I hope that since last night he has had time to reflect on the series of long votes, the long proceedings that took place.

Mr. Kempling: Where were you?

Mr. Ouellet: I was here and voted on every vote that took place last night.

I would like the Government House Leader to tell us if he has taken seriously the recommendations of the McGrath committee that recommended that we use electronic voting in the House of Commons, which was at the time a unanimous report of the House. Unfortunately, it was not followed through.

I hope the Government House Leader, upon reflection, will take this very important recommendation of a very important committee of the House of Commons seriously, and act upon it.

Mr. Lewis: Mr. Speaker, I appreciate the comments made by my hon. friend. I reflected last night that what took place was an abuse of the privileges—

Some Hon. Members: Oh, oh!

Mr. Allmand: Cut it out. Closure is an abuse after one day's debate.

Mr. Lewis: Just a minute. I thought you were in the same party. I could have sworn you were in the same party. I really could have.

I think it is an abuse to keep the House of Commons and the business of this country stalled for some 30 standing votes.

Mr. Volpe: Get serious. You didn't call the House of Commons for three months, then you want to push something through.

Mr. Lewis: A colleague in your party has asked a question of me about electronic voting. Why do you not settle this in caucus next Wednesday?

If this is a representation from the official opposition, we will take it as such. I suggest though to my hon. friend that once the Liberal caucus has decided its position on the matter of electronic voting, and there does seem to be some dissension, we will be glad to consider it.

Mr. Ouellet: I would like to ask a supplementary question, Mr. Speaker. I want the minister to remember that this recommendation of the McGrath committee came after the absolutely unacceptable abuse of Parliament by the then opposition, the Conservative Party, which had the bells ringing for a period of two weeks.

In order to try to find a concrete solution to this possible repetition of abuse, a recommendation was made by representatives of the three parties in the House of Commons. The government, through the Prime Minister, was supposed to act upon it. He has never acted upon it. That is the situation.

I am asking the minister if he is going to review the situation and act upon this recommendation. This type of abuse, whether it comes from one party or another, could come in the future and could be bad for the reputation of the House of Commons. That is the purpose of my question.

Mr. Lewis: I happen to agree 100 per cent with my hon. friend, Mr. Speaker. As far as I am concerned what happened last night was an abuse of the reputation of the House of Commons.

Mr. Nelson A. Riis (Kamloops): Mr. Riis: Mr. Speaker, as a member of one of the opposition parties last night that simply asked the members of the House to stand and be counted on a number of very important amendments to a significant piece of legislation in terms of its implications to the people of Canada, I do not consider it to be an abuse of the House. We were following the rules that have unfolded traditionally in our House of Commons.

I find it somewhat ironic that a government which in four short years has used closure more often than has ever been used in Canadian history before talks about abuse of the traditions and customs of the House of Commons.

I think it is important that we recognize that democracy sometimes is not as quick and as efficient as other forms of government, but it is the better and the best form of government. If it takes a few hours to vote on a very important piece of legislation that is anything but an abuse of Parliament and its traditions.

Some Hon. Members: Hear, hear!

Mr. Jean Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I find it regrettable that the minister has left the House. We only get one chance a week to ask questions about the orders of work in this place and he cannot stay for five minutes to listen to questions from this side. I find that totally unacceptable.

I want to ask the minister a question that relates to an order adopted by this House twice, first on April 4 and then June 27. It was ordered at that time that the opposition would have four opposition days, that is, days on which we can settle the agenda in the month of October. There are three working days left in this month. All we wanted to know, in the interest of getting some co-ordinated efforts to really oppose this lousy government, is what it is calling for tomorrow, one day. The other two, we will decide.

Mr. Jim Hawkes (Calgary West): Some of the recent interjections are encouraging. Members are talented. Members are hard-working. Some sense of planning would aid all of us in our capacity to screen legislation well and to do what it is that the people sent us here to do and expect us to do.

It is the absence of ability to co-operate in the planning, that has led to the need for the government and for the members on this side of the House to do the planning. There are rules within our procedures that allow us to do the planning through time allocation or through the use of closure. That is what has been going on. It has thrown the system into a little bit of turmoil. The House leader did indicate that before the close of business today he would have something more to say. It might be an opportunity to ask questions at that point.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I am more or less new to this place. I do not know all the rules. I would like to say something in response to what the hon. government House leader said.

He said that by our coming here last night and voting on some 22 or 23 amendments to the Unemployment Insurance Act that we were abusing the business of the House, abusing this place. I find that rather offensive because I, among others, came here thinking we were conducting some very serious business on behalf of this country. Those changes to the act certainly were sweep-

ing and significant and brought about a lot of concern in this country.

I, for one, thought that we were doing our business for our country exactly where we stood and what we was doing. Now the government House leader says that by following the rules and following our responsibilities that we are abusing the privileges of this place. I just find that incredibly offensive.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee; and the amendment of Mr. Schneider (p. 5069).

• (1520)

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, it is my privilege to stand today and speak on this very important piece of legislation which affects the advance payments to farmers in the riding of Essex—Kent as well as the farmers across Canada.

Bill C-36 intends to cancel the interest free provisions of the advance payments for crops and the prairie grain advance programs. The intention of this legislation is not acceptable to the Canadian farmer.

The government introduced this bill on September 27, 1989. At that time harvest across Canada was well under way. In my riding much of the harvest is complete. Yet we are debating legislation that has kept money out of the pockets of farmers in this country.

It is unfortunate that the legislation was introduced when it was when we stop and think that the farmers early in the spring had done a great deal of planning for their production. Very quickly, the government has changed the rules in the middle of the season. When farmers commenced their current year production they arranged their financing on the basis of the advance payments they were expecting.

However, this government has chosen to change course in the middle of that. Today, the government has forced closure on this bill, not allowing the opposition, not allowing the government, not allowing the farm community within the country to be heard fairly and justly. Many people on this side of the House have stated how bad it is that the government would come forward with closure as many times as it has.

I, too, am a new member of this House and I am very concerned that every time a piece of legislation comes forward we are not allowed to speak clearly, fairly and openly on it. We are forced to closure. We are forced to sit long hours hoping that we will have an opportunity to speak, not necessarily given that opportunity on a regular basis.

Two days ago we debated Bill C-20, a taxation bill which the government claims is necessary as a transition to tax reform. Why does the government emphasize the need for transition legislation one day but not the next? Where is the transition for farmers on advance payments? There is none. The government refuses to provide interest free advance payments for crops and has suspended the past practice without any legislation in place.

The government would have Canadians and our farmers believe that it is the fault of opposition parties for not having the new bill in place. The proposed legislation is bad, and we must tell the government that it is bad. We are attempting to do that at this point in time.

We on the opposition side of the House are not alone in our criticism. Prairie Pools Corporation opposes the bill. That organization has formally requested the government to withdraw the bill at this time. It has indicated that a thorough review of the legislation is necessary to assess the impacts on cash flow and agricultural marketing. The corporation further noted that the existing Prairie Grain Advance Payments Act has proven valuable for providing the needed cash flow to producers and encouraged orderly marketing and efficient grain handling.

The National Farmers Union opposes the bill. This organization has also condemned the proposed legislation, requesting the government withdraw Bill C-36 and reinstate the current interest free legislation. It has

criticized Bill C–36 as being regressive. We on this side of the House agree with that assessment.

The existing prairie grain advance payment program enabled producers to save on interest costs. It allowed producers to meet debt obligations, assisted creditors to have accounts paid on time to settle outstanding accounts, relieved pressure on the Canadian Wheat Board elevators and the quota system from becoming clogged and assisted the board in programming orderly marketing and sales.

The National Farmers Union views these positive features as an integral part of the farming industry. The removal of the benefits, if Bill C–36 is passed, will be devastating to the farm community.

The Ontario Corn Producers Association has also requested the Minister of Agriculture to abandon Bill C–36 and that the current programs be continued. The association is opposed to the elimination of interest free provisions of the current legislation because the relative cost of APCA marketing programs has been minimal compared to the benefits generated in the agricultural sector.

The program has proven to be of major benefit in shifting corn sales from autumn until later in the marketing year, thereby reducing the extent of export sales in autumn and shortages induced by imports during later months. The net result has been financial benefits to producers, domestic users and commercial elevators.

The APCA program is not trade distorting. It does not stimulate production but rather encourages orderly marketing. The GATT Geneva Accord of early April obliges Canada to freeze existing support programs, not reduce them.

There is no offsetting reduction for the 1989–90 crop year in the U.S. loan program—the American equivalent for the APCA—for grains and oilseeds. Canadian grain and oilseed producers are already contributing their share to the national debt via the programs in excise sales tax, sales tax exemptions on diesel fuel and on gasoline.

All of these farming organizations are prepared to meet with the Minister of Agriculture to review proposals on advance payments. That point must be clearly understood. The organizations are willing to have open discussions. We encourage this. But what they are saying is do not arbitrarily change the rules of the game half way through a season. The crops are not only planted for the most part they are harvested as well. Farmers depend upon these advance payment incentives.

According to this government's budget in the next two years farmers will see reductions such as crop insurance by $200 million; grain and flour transportation by $40 million; branch line rehabilitation by $32 million; grain and crops advance payments by $54 million; dairy export by $14 million; commodity based loans by $14.5 million; dairy commission by $14 million; and excise tax and fuel rebates by $100 million.

How much are we going to ask the farm community to sacrifice? Are we going to tax the withdrawal programs until the Canadian farmer cannot afford to be in business? Farmers are asking, "Where will it end?".

Other farming organizations, including the Ontario Soybean Growers Marketing Board, B.C. Vegetable Marketing Commission, and the Saskatchewan Canola Growers Association, to name a few, have echoed their colleagues' concerns and requests to reinstate the current programs of advance payments.

Farmers, farming organizations, marketing boards, elevator operators, farm financiers—literally thousands upon thousands of Canadians—believe in the benefits of the advance payments program. Everyone involved in agriculture believes in these programs. The only people not in favour are the members opposite. Does that say something about the government? I think it does.

Farmers in my riding are upset. They are upset that this government does not care about them anymore. Farmers are being asked to make concession after concession on their incomes, concessions that will cost the farming community $400 million in the next two years. These restrictions must cease. These loss of dollars to the farm community cannot be carried through week after week, month after month. We must reverse these ill–conceived actions of the government. Farmers deserve better. Let us begin now to show them that we do care.

I implore the government to reverse these anti–farming initiatives and let the farming community survive.

• (1530)

This morning hon. colleagues on the other side of the House brought forth the fact that we are several billion dollars in debt. We have been hearing that echoed in the House time after time. The members of the government have continually stated that it was the fault of a previous Liberal government. Canadian people are not that naive. After five years in power, the government has increased the debt $150 billion, doubled the national debt, and at the same time continually blamed their predecessors for the problems.

It is time to face reality. It is time to stop blaming somebody who was in government five years ago. It is time to carry through initiatives that are required. It seems to me the government is heading in a very wrong direction. It is going after the farm community, the weaker people in our society, and that will devastate this country.

It is time this government changed its direction and came to the reality that Canadian people are important, not just the farm community, but all of those who are weaker in our society. I believe the government has overlooked this important fact.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I am rising in the House today to address this government's intention to withdraw the interest free provision for prairie grain advance payments and advance payments for crops.

At first glance, Canadians might wonder what all the fuss is about. After all, we are only talking about some $25 million to $27 million which farmers could surely sacrifice seeing how this government feels so strapped for cash, could they not?

I am glad I have this opportunity to speak in the House on the Prairie Grain Advance Payments Act changes because it is through measures such as this that we can see how this government is mistreating Canada's farmers.

This piece of legislation raises so many issues that illustrate what this government is all about. It raises the issues of confusion, incompetence, and I might add, spinelessness. While I am glad I have been given the opportunity to defend Canadian farmers' interests, I am sorry the government would even put forth such a piece of legislation in the first place, that we should have a debate on whether we provide farmers with a program that works, or do we take it away and slap Canadian farmers in the face?

Unfortunately, this government's agenda seems to require dismantling good programs. At the rate it is going, by the end of its term it will have done more damage to the effective institutions in this country than any other government in Canadian history, that is, unless it begins to listen to what Canadians are saying, to come up with creative and positive reforms, and to abandon their cut and slash attitude.

The changes to the Prairie Grain Advance Payments Act, which are being proposed, provide one example of what I mean by the mindless cut and slash policy of this government. At stake is approximately $27 million for Canadian farmers, farmers who store their grain in the fall and collect an advance payment for it which they will sell in the spring or early summer when grain prices are higher and the fall grain glut is cleared.

The Minister of State for Grains and Oilseeds claims he is not trying to prevent farmers from using this program. He is simply going to charge them interest on partial payment for grain stored six to eight months over the winter.

I have news for the minister. When the government eliminates the interest free provision in this act, it discourages farmers from using the program. In effect, the government is discouraging the storage of grain, impacting negatively on the elevator storage industry, on Canada's food security, as well as on Canadian farmers. Without the interest free provisions of the advance payment program, and with the increased administrative costs to the farmer under this legislation, the attractiveness of this program to the average farmer is lost. Then one day, who knows, this government might come along and tell farmers they are not using this program very much and cut it completely. It would not surprise me one bit, seeing as the effectiveness of the program would have been cut with Bill C-36.

What might happen with the prairie grain advance payments program, may be the same tactic the Minister of Transport is using with VIA Rail, wound and then move in for the kill; cut the effectiveness of the service now, and when it is down on its knees, stamp it out for good. One less bother for the government.

I would like to expand on why the program should continue to exist as it does now, because it seems to me that the government does not think these things out for itself. What is worse is the fact that when the opposition points out the flaws in the government's reasoning, the government gets too embarrassed to make the proper changes. Instead, it blames the entire mess on the opposition. It is the only way that the members opposite think they can save face after having bungled this legislation. By failing to listen to the reasons this opposition and 19 producer groups across Canada have been trying to communicate to the government, I am afraid they are only making matters worse.

Let us first look at what is at stake for the government. Cutting the interest free provisions for advance payments would mean roughly $25 to $27 million for the government treasury. While this $25 million makes this program beneficial and worth while for farmers, it is a drop in the bucket for the government when compared to the revenue generated from taxes on products generated on farms, almost $1 billion on alcohol beverages and $1.8 billion on tobacco, just to name two.

As my colleague from Lambton—Middlesex pointed out, the government collects about $3.5 billion in excise and sales taxes on tobacco and alcohol products. Yet, it complains that it cannot afford $25 million for a program that has been working very well in favour of orderly marketing in Canada for the last 30 years.

I wonder why this particular $25 million is so crucial all of a sudden, and why this government would rather face the wrath of Canadian farmers than put its own house in order. What can one expect from a confused government that digs itself into a bigger and bigger hole by raising interest rates, increasing its deficit, increasing taxes, all the while dragging the Canadian economy into the hole with it.

Maybe we are seeing a continuation of this government's policy of breaking down Canada's orderly marketing system in favour of free market enterprise to comply with secret agreements made in the free trade negotiations, just like in the softwood lumber dispute, when we gave up our bargaining chips before we got to the table.

As my hon. colleagues across the floor must know, this program does not even lead to trade distortions. It simply encourages the orderly marketing of our grains, corn, and other crops. I am afraid that I fail to see this government's justification for chipping away at the financial management tools that have been so valuable to the farmers in the past.

We on this side of the House understand the need to control the deficit. What we disagree with is the government's affinity for making cuts that affect the poor, the sick, the elderly, the unemployed, as well as small businessmen and farmers, while paving the road, I might add, for big business, multinational corporations and the wealthy. Members opposite should know that the mark of a country's government is how it treats its weakest members, not its strongest.

I would like to end by making a plea, as all members on this side have done, to the members opposite, to vote against this legislation because of its severe implications for orderly marketing in Canada. A vote against Bill C–36, is a vote for common sense, for Canadian farmers, and for the institutions that have allowed our agriculture community, indeed, all of us to prosper.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, we are facing a closure motion which I think was totally unnecessary and uncalled for in this particular instance. We have been debating Bill C–36, which is an act to take away the interest free cash advances that farmers in western Canada have had since 1957. The reasons the government is giving for that are totally bogus.

• (1540)

We listened to the member for Swift Current—Maple Creek—Assiniboia tell us that the government is faced with a huge debt. That is something we all know. He attempted to blame it on the NDP. Apparently it was all our fault because we defeated the government of Joe Clark. We do feel some responsibility for that. I think we were very much vindicated in 1984 when we saw not Joe Clark but a different leader lead the Conservative Party to form a government.

Under that leadership the accumulative deficit and debt of this country more than doubled in the first four years. It took Liberals some 120 years to accumulate a bit over $150 billion, and according to the words of the member for Swift Current, we have now passed $320 billion, which is more than twice that debt, and heading

for $350 billion or $360 billion by spring when this fiscal year is finished.

So it was a good thing we defeated the Conservatives in 1979, or we would have had that kind of deficit as well as the last five years with which to deal. We would have been dealing with far more debt than we are now.

The member attempted to show that the taking away of a $27 million expenditure for interest free cash advances would somehow cure this huge debt that his government has placed on the shoulders of the Canadian people. Somehow $27 million is going to rectify that. How ludicrous. Do you realize, Mr. Speaker, that $27 million will not even pay the interest on that debt for six hours? The minor debate that has occurred on this bill has gone just over six hours, and the interest has been ticking away on the national debt accumulated by this Conservative government and the more than the $27 million that it is proposing to save with this proposal has already been spent, just as that few hours ticked away. It is a ludicrous kind of argument, but it gets even more stupid when one looks at the true economics of it.

With the availability of the interest free cash advances, farm producers right across the country have made good use of their ability to hold product from the market in order that the market not be flooded with product. Fruit and vegetable producers have used it to good advantage. The cash advance system has permitted them to keep the product in storage, so that the price rises. That is important, not only to farm incomes, but also to government deficits and government expenditures.

With the kind of "force the product on to the market" approach that the current government is taking with this particular proposal, it will be forced by other measures that this country adopted years ago to pay agricultural stabilization payments because when this action forces the price of farm produce down, other government funds are expended to bring farm incomes up.

I will demonstrate how important this is. Not only does it have that effect, but it reduces government income. With the advantage of higher prices, which farmers are able to take advantage of now that they are sprinkling their produce on to market when demand is there, farmers occasionally have to pay income tax, because their incomes are higher. With this stupid and short-sighted action, the government is forgoing the collection of far more than the $27 million worth of income tax.

I said that I would give you some examples of how this works, Mr. Speaker. Let us look at figures from the Ontario Corn Producers Association which point out, according to their calculations, that in the crop year of 1986–87, the fact that interest free cash advances were available resulted in the average price of corn going up $4.54 per tonne. They report that this meant that over-all all of the producers benefited by approximately $2,044,800 as a result. What did it cost the government for the farmers to make that kind of saving from the market? That year it cost Agriculture Canada $1,175,000, so they got pretty close to two for one return on their investment.

The following year was even better. In the 1987–88 crop year, instead of dumping their product at the beginning of the crop period, the benefit to the producer from being able to market his product in an orderly fashion and sprinkling it on to the market for a 12-month period, resulted in the producers gaining a little better than $36 a tonne for a final price. That meant that all of the corn producers in Ontario benefited by $16.8 million at a cost to the federal treasury of a mere $1.1 million, which was the cost of maintaining the interest free cash advance. There was a better than sixteen for one return on the government's expenditure. You can be very certain, Mr. Speaker, that on that extra $16 million that Ontario corn producers received, a lot of income tax was paid and the government probably had returned many times over the small expenditure laid out for the interest free cash advances.

I have some similar figures here from soybean producers in Ontario, who report that in the crop year 1987–88, they estimate that there was an advantage to them of being able to utilize the cash advance system in that year of just over $60 per tonne, a total of $10.7 million for that crop year. It cost the federal government $773,000. That is a very good return for the Government of Canada for its small investment. The returns in income tax payments alone would have far exceeded the expenditures they made. The market stayed up to the point where stabilization payments coming out of another government envelope were not necessary.

It is a foolish set of economic arguments that the government is trying to foist on the farm community. Farmers are much too clever to buy that argument. There are some who are not so clever, and it is very unfortunate. I and perhaps some other members have received a letter from the Premier of Saskatchewan who is also the Minister of Agriculture for that province. He is writing, he says, "to express our concern", and I think it is the royal "our", "at the delay which Saskatchewan farmers are currently experiencing in being able to apply for cash advances on their crops, and to encourage you, as your party's agriculture critic, to work towards a speedy resolution to this problem. This delay is causing considerable hardship for many of this province's producers, who rely on the cash advance program to meet a number of their financial obligations."

Then he goes on and tells a mistruth. He says:

> As you know, cash advances cannot be issued until such time as Bill C-36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, is passed by Parliament.

Such rubbish! The Advance Payments for Crops Act and the Prairie Grain Advance Payments Act have been in effect in this country for years and years. There is nothing stopping the government from putting that program into effect, except their own stubbornness and stupidity. All they have to do is give the directive. Parliament has spoken. We have presented them with the law. We have presented them with the power to do it. Why don't they do it?

• (1550)

Did Premier Grant Devine, in his divine wisdom, write to the Minister of Agriculture and ask him to please obey the law and make cash advances available? He does not seem to have. Did he write to the Prime Minister and tell him how concerned he was about forcing the farmers he speaks for to pay even more interest? You would think that he would have, but it does not seem that he did. That is strange, because this is the man who convinced the premiers at a premiers' conference last summer that they should be putting pressure on the federal government to do something about interest rates. Here was his great opportunity to ask the government, as politely as he could, to please obey the law and provide these funds at zero rate of interest to the farm community. Did the Premier of Saskatchewan say anything about that? No, he does not seem to have bothered to write them. He wrote me, a member of the third party in opposition, asking me to quickly change the law so his producers could start paying more interest on an already very difficult burden of debt that those producers are paying now.

As the Premier of Saskatchewan and having divine wisdom, he should know all about the problems of carrying debt. He seemed to understand it a year ago when he carried the message on behalf of the premiers about high interest rates. As you will remember, Mr. Speaker, he came to Ottawa, gave the message, was so persuasive that as he was climbing the steps of the plane, the Minister of Finance and the Governor of the Bank of Canada announced that interest rates had just gone up a half of 1 per cent.

This premier and this Minister of Agriculture is also the person that knows the effects of interest rates on his own farmers, because he is the man who got himself re-elected in 1986 on a program of low interest and no interest loans to his farmers. Then as soon as he was elected, he made those loans collect a rather high rate of interest, 50 per cent higher than he had indicated it would be during the election campaign.

Not only that but he is out there collecting those loans. He has declared a great many of them bad loans, and he has put collection agencies on over 4,500 farmers in the province of Saskatchewan. That is how concerned he is about the rise in interest rates. He is concerned because he has got himself in the position of being just like one of the banking institutions and just like this federal government that see things from the point of view of the banks, and the international grain companies, but do not see things from the point of view of the people they were elected to represent.

There are a couple of other things that the member for Swift Current—Maple Creek—Assiniboia used as excuses for introducing this legislation. He tried to convince the House that with the added burden of paying interest on cash advances that farmers would be forced to deliver their grain earlier. Of course, it may have that effect. It certainly will in the open market crops. The Union des producteurs agricoles du Québec have told us that they see producers of turnips and some of the fruit and vegetable crops being forced to market their produce in about six or eight months instead of over a full 12-month period. That would have the effect of putting pressure on agricultural prices at the beginning of the year, and end up with consumers having to rely on

imported produce which is going to be much more expensive for the last part of the year.

This does nothing for producers or consumers, but it is helpful to the banking business, because when the banks lend money to the Wheat Board or some of the farm groups under this interest free program the rate is much lower because it is a government rate. Now, the credit rating will be slightly different and the costs will be up a wee bit, and they will receive a fraction or a full percentage point, perhaps in some of the smaller groups as much as 2 percentage points more, and their take will be increased. The international grain cartels will love it. The purchasers of fruits and vegetables will love it because it will force prices down at the beginning of the year. Consumers seldom get that price reflected in the stores. It provides an opportunity for greater profits for those handlers, but it means disaster for farmers.

It will have a tendency to push down net farm incomes. As I pointed out earlier in my speech, there will be some commodities where the downward effect will be so strong that in fact it will trigger payments under the Agricultural Stabilization Act and the government will be paying out money in spite of itself. For the simple maintenance of this program, at a cost of some five or six hours of interest that the government is paying anyway, it would be able to leave the farm community and the rural community in a position where their prices would be going up to the point where income tax revenues would be collected instead of subsidy payments going out to the farm community. That, in our mind, is good business.

This party of Conservatives is doing this because it does not agree with orderly marketing, cannot understand the value of that to the farming community, and have decided it has to kowtow to the banks and international grain cartel and some of the Americans who are saying that we have to do away with the Wheat Board and marketing boards. It has decided to kowtow to that, make a nod in that direction, and begin the process of undermining prices and the ability of farmers to get their cost of production out of the market.

In conclusion, I think that this legislation demonstrates that this government is once again refusing to be effective and efficient in its management of the economy and, in particular, in its management of affairs that affect rural Canada. In its presenting the closure motion, it has demonstrated an equal disregard for communication and for reality. Had it proceeded at a regular pace, I am sure the bill would have been through by now. When it starts using closure, members are inclined to make a speech to complain about that. Had the government used common sense, this could have been before the committee where the farm organizations and the farm groups need to be heard, because the government has obviously decided it is not going to listen to us or believe us. The farm groups have to be heard. They know how this will affect them. I think we have to hear every farm group in those communities.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, once again members of Parliament have the opportunity to speak on this very important issue. Once again, we will endeavour to try to make this minister and the government understand how important the interest free provision is to Canadian farmers.

This program was put in place to encourage orderly marketing of product. It has been very successful in achieving this goal by shifting sales from the fall when the crops are harvested to later on in the marketing year. This allows farmers the leeway to either play the market, or have the ability to market their product at a time when it is more reasonable and more equitable to do so. This program was put in place to encourage the orderly marketing of produce.

Historically, crop prices are the lowest on average at harvest time. The depressed prices are usually as a direct consequence of the eagerness of farmers to sell their crops soon after they are removed from the field. This eagerness is precipitated by two main factors: first, the need to generate cash to pay shopping expenses, the year end tax bills, and related financial operations; and uncertainties as to whether subsequent price increases will be sufficient to cover interest and storage carrying costs.

The advanced payment program under the Advance Payments for Crops Act has been one of the most effective means of countering historic marketing patterns and encouraging a more orderly marketing, that is, a greater percentage of crops are sold during the late winter, spring and summer rather than in the fall when all the congestion is in the market-place. Producers in the program have indeed benefited most of all, especially tobacco farmers in my riding. Even non-participants have benefited to some extent by experiencing relatively higher harvest time prices because of the reduced sale of the crop at this time of season. In other words, the market has not been flooded as it used to be before this

program came into effect, which resulted in depressed prices.

• (1600)

Those involved in commercial grain storage also benefit from holding over crops until market prices improve. Since the advance payments program was initiated in 1983–84 we have seen a substantial change in the marketing patterns. This has been a progressive step forward. To start fooling with this success is foolhardy, unreasonable and unfeeling, to say the least.

By making this change the government estimates it will save $27 million a year, hardly a large sum and hardly worth destroying a working and valuable program for. The minister and this government refuse to even try to understand how this measure will negatively affect Canadian farmers. They regularly ignore our advice and suggestions. You would think they would listen to the producers, the farmers themselves, who are most adversely affected by this program but they refuse to listen.

The government continues to bring in programs such as this which adversely affect a number of sectors of our economy and a number of Canadians without properly informing Canadians. There is no consultation and I call upon the government to move more toward a consultative process. It helps in the whole process of parliamentary democracy.

I never cease to be amazed by this government's approach. Time and time again it tried to rush bills through Parliament without consultation or thinking about the ramifications of these changes.

Mr. Rideout: Closure all the time.

Mr. Speller: Closure all the time. I think there has been more closure within my first year here in Parliament than we have ever seen. That is not acceptable to people on this side of the House.

Although only 582 Canadian corn farmers participated in the 1988–89 advance payments program, this low number was clearly a result of the small drought-reduced corn harvest this year. Many farmers throughout Ontario and indeed throughout Canada had a hard time last year during that period because of the drought program. Therefore, it is not surprising that the number who actually participated in the program was low. In the three previous years when the crop size was more typical, 1,000 to 1,200 farmers participated. The number of tonnes involved was in the range of 400,000 to 500,000 tonnes or about 10 per cent to 15 per cent of the total marketed commercial Ontario corn crop. The government indicated that it could not agree with the suggestion of the Ontario corn producers that a participation rate of 10 per cent to 20 per cent means a relatively low benefit to the entire industry.

In the case of corn, the 10 per cent to 15 per cent of the commercial crop involved in the program means that this quality of corn is not sold into a glutted harvest-time market and is available for market needs later during the crop year. The benefit of this action extends to all producers and purchasers. In reality this is a benefit of the way that we have produced orderly marketing here in Canada. This is not the only orderly marketing area under attack by this government. We have seen that in the orderly marketing of our milk products and in many other orderly marketing areas of trade the government does not seem to be as committed as it says.

Let us look at the free trade deal. The government gave a commitment during the last election that under free trade the supply management or the orderly marketing of milk products would be protected. We have seen, as I and my colleagues have said time and time again, that there is no protection under the free trade agreement for orderly marketing of products. This is one more way to throw our marketing of agricultural products into a crisis. There is no way that Canadian farmers can orderly market not only grains but milk products under the free trade deal that we have in place now. Quite frankly, the Americans have not received the message. Americans have not acknowledged that we have orderly access into their market. What they have said is: "Yes, we signed the deal, but we fooled you. There is no way that we are going to allow your products into our market".

That throws into whack the whole question of marketing products in Canada. The recent GATT decisions have the same effect. GATT and other countries, led by the Americans, are attacking our supply of managed systems under Article II of GATT.

During the free trade debate the government said it would not be negotiated at GATT. We have seen that in fact it is. It said it would protect producers under the import control list. We found how effective that has been for our milk products for ice cream and yogurt. It has had absolutely no effect. In fact, the Americans are again attacking our marketing. This is just one more example of how our marketing systems are being attacked and being unduly represented by this government.

The Ontario corn producers also argue that it would be a flaw if most producers in most of the crops were enrolled in the program since this could mean a shortage of available crop at harvest time. Fortunately, with the program structured as it is at present, this has not occurred.

They also point out in their letter that while it is possible for organizations such as OCPA to borrow money using the APCA guarantee at about the prime rate of interest, the administration costs are significant, and it is not unreasonable to expect the full cost to the producer of prime plus 1 per cent or 2 per cent, depending on the amount of money borrowed. Administration costs include legal costs, inspection costs, lien registrations and office operations with the program.

In other words, it is going to be of no benefit to Canadian farmers. They are not going to get any advantage by going into this program. They have come to us and told us that. They want the people on this side of the House to stand up and let the government know that this program is no good. By not having the interest-free provision of the program, the government is in essence destroying it. It is making it totally useless for Canadian farmers.

The Ontario Corn Producers Association were particularly concerned with the suggestion that the presence of advanced payments represent an impediment to orderly marketing. Unfortunately, the implicit conclusion is that somehow the amendments inherent in Bill C-36 will reduce the incentive for storage which exists in the present program by encouraging sales, rather than storage. They strongly disagree that the advance payment programs have been disruptive to orderly marketing by discouraging timely sales.

They were also very disturbed that a desirability to encourage farmers to sell crops more quickly may be a reason for the amendments contained in Bill C-36. Like us, they strongly objected and disagreed with the suggestion that by opposing Bill C-36, farm organizations are depriving farmers of advanced payments for the 1989 crop.

In reality the present act authorizes such payments. OCPA filed an application for a 1989 program several months ago. Only reluctance by this minister to exercise authority spelled out in the existing legislation prevents funds from now being dispersed to crop producers across the country.

It was clearly lack of initiative by this minister to continue that program which is stopping funds from going to farmers now. Their final criticism is that Bill C-36 represents a reduction in federal support for Canadian farmers when no commitment has been made to reduce comparable assistance elsewhere, particularly in the United States. There is no such reduction in the U.S. farm bill loan provisions available to American farmers.

• (1610)

These are the arguments we have been putting forward to the government for many days now. Surely all farmers cannot be wrong. Before this government and this minister again reject the suggestion we have made to withdraw the bill and have some meaningful consultation with the producers who use this program, I have been asked by the farmers in Haldimand—Norfolk to ask this government to withdraw the bill, to sit down with farmers, have some meaningful consultation and get on with the program, instead of trying to bring in programs which are detrimental to their livelihoods.

Before making a rash decision to ram this bill through the House with its majority, I would suggest that it review the Auditor General's report which repeatedly takes the Department of Agriculture to task for the erosion of accountability and of parliamentary control. Just once maybe the government could be open-minded and realize that the farm organizations and members of Parliament are offering constructive suggestions to ensure that this program will continue to be a success.

As I mentioned in my previous speech, the minister has indicated that he wants to work closely with the provinces, farm organizations and others to plan and implement an improved policy network. Let us put action where his words are. Why does the minister not

prove to farmers that he cares about them, that he will consult with them and that he will put their ideas into legislation, not after the fact like this government has tended to do, but before it pushes through legislation without consultation.

I call on the minister to listen to their suggestions and concerns. They are defending their livelihoods. They are not sitting back and trying to bring in programs dealing with anybody else's livelihood, they are defending their own livelihood. These people are good farmers and they deserve more than a bill that attacks their livelihood.

I urge the minister to stand up for farmers, stand up for agriculture, and withdraw this bill. I believe this bill will have a detrimental effect on farming.

I am concerned the way this minister has suggested that we on this side are delaying the bill somehow and that we are not giving farmers their livelihood.

They have many more members than us and if they wanted to bring in this bill they could have done so last week. Yet he goes across the country saying that we are the ones who are stopping their livelihood. Well, quite frankly, farmers in Canada are not fooled by that argument.

We have a case here today where the government brings in closure. This is the government's way of saying that we are delaying the bill. How many hours have we debated this major piece of legislation? We have spent four or five hours on a major piece of legislation that has wide-ranging effects on the farming communities of Canada. Surely we can debate this bill much longer than that.

I will close by saying that we, the farmers of Haldimand—Norfolk, reject this bill. They are not fooled by the government's argument that this bill will be anything but detrimental. On their behalf I call on this government to withdraw this bill. Do the honourable thing and withdraw the bill, consult with the farmers and try to bring in a more reasonable and fair approach to this issue.

Mr. Jack Shields (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, it is a privilege to stand here today to speak on this bill that we are attempting to get through.

We had to bring in closure. I think all members of this House realize that we had to do that because of the delaying tactics of the Liberals and NDP who say that they are so much in favour of supporting farmers.

There have been discussions between our House leader and the House leaders of the two other parties with regard to these amendments. Since this House came back in September we have been trying to get an agreement in the House of Commons. The member who spoke previously is probably a new member and does not understand all of the nuances that go on in this House, but one of them is the attempt at co-operation of opposition parties, whether they be Liberal or NDP.

We have been trying to get this through since we came back to the House of Commons. We have had nothing but roadblocks from these people who are delaying it. Then they complain because we bring in closure. We bring in closure because the farmers in my community, the farmers in western Canada, the farmers right across this fair country of ours are waiting for this bill to go through so that those who want it can access the advance payments, those who want to do it.

Mr. Althouse: Apply the law.

Mr. Shields: Well, well, well. My honourable friend from the NDP says: "apply the law". Let me read to him some of the information. There is nothing in either the Advance Payments for Crops Act or the Prairie Grain Advance Payments Act which requires guarantees of advance or advances to be made.

Mr. Althouse: Nothing is stopping you.

Mr. Shields: If he would take the time to read it and understand what he is talking about when he stands in the House, he would know that section 4 of the Advance Payments for Crops Act provides that the minister may guarantee advances made by a producer organization.

Mr. Althouse: Go ahead.

Mr. Shields: Section 3 of the Prairie Grain Advance Payments Act states that the board may make advances on the initial payment for threshed grain to a producer. The word "may" in legislation does not compel an action to be taken. By not taking any action, the government is

therefore not acting contrary to the law and the hon. member knows that very well.

Mr. Althouse: There is nothing stopping you from putting it in place.

Mr. Shields: All he wants to do is yell and not listen to what people are saying in this house. Open your ears and read my lips. I will send this over to the hon. member and he can read it.

Mr. Boyer: The hon. member listens with his mouth.

Mr. Althouse: The law is there. Use it.

Mr. Shields: Parliament passed a law that states he may. We are trying in this Parliament to amend the acts in such a way that it will allow a producer to receive not $30,000 in advance payments, not $60,000 in advance payment if there are two of them, not even $90,000. We are amending this law to allow a producer to receive $250,000 in advances.

Mr. Althouse: How many will use that?

Mr. Shields: The hon. member asked how many people will use that. The provision is in place for that to happen.

The main thrust of the opposition is that we should not be charging an interest rate on any of the advance payments.

I would like to educate the hon. member. The producers in my riding have come to me and said it is time they started to pick up some of the slack they have been getting for nothing. They are prepared to pay a fair interest rate. What is a fair interest rate? It is prime or lower because it is going to be government guaranteed.

Honourable members over there stand up and tell us to cut spending. They stand up and say: "You have a debt out there that you have increased. You are not doing anything to control these things." They make all of these complaints, but when we attempt to bring things into line in a more equitable way, they stand up and scream because we use closure. We are imposing closure because those very people over there have done absolutely nothing to co-operate and assist.

I have producers in my riding who phone me to ask when this is going to be passed so they can get an advance payment. I tell them to phone the member for Oshawa. I tell them they might get something if they phone both of those lame duck leaders of the two parties across the way, but I doubt it.

It is unfortunate that the tone of this House and the tone of co-operation has dropped so dramatically over the past three or four years. Sometimes I am ashamed to sit in my seat in this House and watch what goes on. I saw it last night when we in this House wasted time and money for three and a half hours.

• (1620)

The opposition talks about wasting money. We had people on overtime. The pages were here when they should have been home studying. We had all the staff of the House of Commons, the staff in Debates, and all of those areas working overtime because the people across the way wanted to prove a point. They wanted to make us all stand for every single vote.

What did it amount to? We voted from six o'clock until past nine-thirty, three and a half hours, while those members were sitting there trying to embarrass us or prove a point or gain something in principle rather than allow us to go back to our offices to do some work and allow people to go home and be with their families like they should have been. That is the kind of attitude that we are getting in this House and that is the kind of attitude we have been getting since we came back in September.

It is too bad. They are still fighting the last election. Again I point out that I have producers phoning me asking when they can get their advance payment. I am telling them that they can get an advance payment when these amendments go through. These amendments are necessary. These amendments are supported by the vast majority of producers who I have talked to in my riding. They are supporting these amendments because some of them want to access more advance payments and more funds.

Opposition members cannot speak out of both sides of their mouths. They continually do that, but they have got to be taken to task for this.

I am not going to waste the time of the House any longer. I have put on record why we are using closure. We have had absolutely no co-operation from those people over there. It is obvious that they are not going to give us any more co-operation at any other time. I would recommend to this government that if it has to use closure on every single piece of legislation, then that is exactly what it should do because we are not going to get co-operation from those people across the way. They say it is against the law. It is not. I read very clearly into the

record how it is not against the law. It reads very clearly. If hon. members over there want to get a copy of the act, they can read it and understand that it is not against the law.

Mr. Althouse: I said obey the law.

Mr. Shields: We are going to increase access to funds that farmers have not had access to before because they are government guaranteed. It does not matter if their land or their equipment is encumbered, the payment is strictly on the commodity, and it is strictly government guaranteed. Each producer is eligible, at the minister's discretion, for up to $250,000. Some of my colleagues across the way would like to suggest that no farmer will use that. I do not know what their producers are doing, but it certainly is not the impression that I get from my area.

I would like to put it on the record that the government House leader and the people involved in the agriculture committees from the Official Opposition began negotiations with our people from this side of the House, with the House leader of the NDP and people involved there. The first discussions took place in late June.

Major discussions started to take place when we came back to this House in September, and they have done nothing but stonewall. They have done nothing but express all the animosity that they felt because of the election, so we could not get this bill into the house. Then they cry about closure. That is the only way we are going to be able to proceed. We are going to do it because we are a government that is here to do what is right.

We are a government that cares about the producers in Canada. We are a government that has cared. All we have to do is look at the record. We care for the agricultural community in this country and we are going to continue to do that.

Mr. Speaker, I see that you agree with me. At least you were smiling. I had better not accuse you of that, Mr. Speaker, you are supposed to be impartial.

The facts are clearly on the record. The producers whom I have talked to in the agricultural community in my riding and in ridings of Alberta have said that they are quite prepared to pay a reasonable interest rate on their advance payments because they recognize that the government cannot carry it any longer. They recognize that. When I tell them that they are going to get it for prime and it is going to be government backed, or that there is even a possibility that they will get it below prime, I have found nothing but total support for this bill.

I would suggest my hon. friends across the way come to their senses and let us get this bill through like it should be so that we can help the producers in our country they way they should be helped.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I am certainly glad that the Hon. Member for Athabasca shortened his remarks somewhat. I think he was having a bad day. He certainly wasted our time. He succeeded in only distorting the record. I think I would use three words to sum up his remarks: babble, balderdash, and bunk.

The member said that he was putting forward certain alleged facts to clear the record or to establish the record. All he was able to do was to make it more murky and distort the record.

The Acting Speaker (Mr. Paproski): The hon. member for Athabasca, on a point of order.

Mr. Shields: Mr. Speaker, I would like you to consider whether the accusation hurled across the Chamber from one member to another of distorting the record is parliamentary. I think you would find in Beauchesne's that it is not acceptable. I ask that member to be careful in the language that he is using. I understand that debates can become heated. I can understand that he might take a different view. But to deliberately accuse another member of distorting the record is tantamount to accusing another member of lying. That is clearly unparliamentary.

The Acting Speaker (Mr. Paproski): I will have a look at the "blues" and then I will come back. If I have to make a ruling, I will.

The hon. member for Winnipeg St. James has the floor.

Mr. Harvard: Mr. Speaker, I did not realize that my good friend from Athabasca was so sensitive, so gentle, so fragile. I would not think for a moment—

Mr. Shields: I am not fragile. It's common courtesy and decency.

Mr. Harvard: Mr. Speaker, just so that the hon. member for Athabasca understands, I did not accuse him of deliberately distorting the record. The effect of his remarks is distortion. There may be a subtle difference. The fact of the matter is the man does not know what he

is talking about. As a result of not knowing what he talks about, he distorts the record. I did not accuse him of deliberately distorting the record, of deliberately fracturing the truth or deliberately bending the truth. But I do suggest that the effect of his remarks is distortion.

It really is an honour for me to take part in this debate. It is a privilege and a duty for me to go to bat for farmers across this country. I have spent more than 30 years in broadcasting. I have spent more than 30 years living in some of the major cities of this country. But my roots still run deep in prairie soil, and a part of me will always be found on a southern Manitoba farm.

The farmers, even though they comprise only about 4 per cent of the population in this country, are still the backbone of this country. They supply us with our food. Where would we be, including our good friends across the way, without Canadian farmers? Where would they be without the efforts of farmers? Perhaps they would have some rather empty stomachs.

• (1630)

Mr. Boyer: It is getting very profound.

Mr. Harvard: It is getting very profound, something that we are not used to hearing from that side of the House.

I think that we have to recognize the efforts of Canadian farmers. We have to recognize the importance of Canadian farmers. We have to recognize what they do for this country. I think it behooves us to send out certain signals to them, positive signals, important signals.

What do we get from that side of the House? In the face of this kind of legislation that will decimate, that will gut a piece of legislation that was in place for 40 years, what do we get from the government members? Closure, closure. They tell Canadian farmers it is time to not listen anymore. They are not interested in your input. They are not really interested in hearing what you have to say. They are going to use closure, the old slit-the-throat, chop-off-the-head use of the guillotine. This is their way. The hon. member for Athabasca was saying, "Well, we had to do it; we just had to do it." In the face of what? I guess he was alleging some kind of obstruction from this side of the House.

Why is it that this government has such a propensity for closure? Just yesterday, I was talking in the face of another kind of closure euphemistically called time allocation. Yesterday I mentioned the record with respect to closure. This government has a fetish about closure. It used it five times in the trade debate going back to last December.

Mr. Boyer: Time allocation is something a broadcaster can understand.

Mr. Harvard: That is right. We do things within the limits of 15 seconds, 30 seconds, one minute, but broadcasting is not the font of democracy, is it? The font of democracy is here and we have a different approach to freedom of speech in this Chamber. I do not think that we can put it in the same context as broadcasting by confining it to 15 second blurbs.

They say they had to do it, that they had to use closure. Well, I submit that they did not. If they would have just got their act together, if they had just done a better job, they wouldn't need it. Why do we not review the facts? Why do we not review the record? The record is that they put this very valuable program into limbo back last spring when the hon. Minister of Finance brought down the budget. That was the start of this mess.

What happened after that? Despite the fact that the program was put into limbo, despite the fact that there was this threat put over farmers' heads, despite the fact that the farmers were now left in this state of uncertainty, what did government members do? They sat on their hands and they did nothing. We went through the latter part of the spring, all through the summer and beginning of the fall and they did nothing. Then they brought in a bill, and lo and behold, it was a mess. It was flawed. It was so bad—and this must have been embarrassing, it really must have been humiliating, if they ever do feel humiliation—they had to withdraw it. Right?

An Hon. Member: Right.

Mr. Harvard: My hon. friend confirms. They had to withdraw the bill. That is the kind of sloppiness that you people carry off. You withdrew the bill and then you brought in this one, Bill C-36. Then you accuse us of

some kind of obstruction. You urge us to get it done. We have to get it done now for the sake of the farmers.

Where were you in May and June? Where were you in July and August, September and October? What were you doing? You certainly were not minding the store. You were not minding your business.

On top of that most farm organizations in this country have stated that it is bad legislation. It is the wrong way to go. Is the government listening? Not on your life. It does not listen. It is going ahead and telling us we have to do it now and please, please stand aside. This is a performance that ought not be repeated.

This program has been in effect for over 40 years. It was brought in by a Conservative government, if my grasp of history is proper. I think the Right Hon. John Diefenbaker would be quite disturbed if he knew what is going on today. He represented a prairie province, a prairie constituency and prairie people. I am not too sure if he would be very excited about this kind of legislation to change legislation that worked well.

I do not know of too many farm organizations that were saying "Gut this program. We certainly do not want cash advances on an interest-free basis, no way". I did not hear prairie farmers or any farmers across the country saying that, not on your life. It was not costing a lot of money, only $26 million or $27 million. In the context of other expenditures, that is not a lot of money.

I think that farmers are a little bewildered by it all because, in effect, the government is saying that it has to reach into their pockets for $27 million. All in the name of deficit reduction to get spending down, the government is going to ask them to make this sacrifice. It is important. The government is asking farmers to make this sacrifice. It just wants another $27 million. Maybe in another world, in other circumstances, farmers would understand.

Farmers are a little bewildered because they know what is going on and they know something about the record. Since this government came to power five years ago, where has spending gone?

When the government came to power in 1984, it was taking in $70 billion in revenues. Now it is taking in $112 billion. Extra revenues amount to $42 billion. That is a pretty good take, a sizeable chunk of money, $42 billion.

The farmers are saying 'You want a little more out of me. You want to just take that extra bit out of me, $27 million". No wonder the farmer is a little bewildered. There is more.

Farmers are asked to make this sacrifice but what is the government doing at the same time? The debt goes up. It never stops going up. If we use the five-year record of the government, when it came to power, the debt was $170 billion. Now it is $350 billion, $360 billion. Little wonder farmers in this country are bewildered when this government comes after them again.

There is another dimension to this burden, shared not by farmers alone but by all Canadians, an increase in taxation. We have said many times in the House how good this government has been at increasing taxes. Perhaps it is another fetish. Thirty-one times this government has raised taxes and there is yet to come the grand-daddy of all, the so-called goods and services tax, the grief and suffering tax, which is going to take another $10 billion out of the pockets of Canadians.

My good friend from Brandon—Souris, the Parliamentary Secretary to the Minister of the Environment, has taken his place in the House. He represents what I would call a good slice of God's country. Given the fact that the hon. parliamentary secretary is close to the soil and close to farmers in southwestern Manitoba, I would have thought that if there ever was one on the other side of the House who could talk some sense into this government, to bring to the cabinet a sense of reality, it would be that honourable gentleman. I am sure he has tried but he has failed, and that is too bad.

• (1640)

Mr. Boyer: He's the one they've been listening to.

Mr. Harvard: You may have been listening to him but you have not been listening very well. I think that perhaps you should check your ears.

Another thing that we have to consider in the context of the heavy burden that I just recited is that farmers are also concerned about not only themselves but their entire community, rural Canada, the way this government is closing down rural Canada. There is a litany of complaints about the way the government is treating rural Canada, the way the government is shutting down rural post offices, gutting VIA Rail, closing down mili-

tary bases and, of course, doing most of it without any kind of consultation.

What has gone wrong with the process? Is there something demeaning about consulting with Canadians? Is it beneath this government to talk to the farmers? Have things got that bad in Canada?

No wonder the farmers are bewildered. They wonder whether they have any friends in the nation's capital. Look what has happened in the wake of the free trade agreement with respect to certain producers, to supply management, to orderly marketing.

I think it was just a few years ago that we thought that these were solid, secure institutions, that no one would dare dismantle them. I guess maybe we were thinking wrongly. Perhaps we should have been a bit more wary, particularly of this government.

Look what has happened just recently with Durum wheat producers. I thought that we in this country championed success, I thought we applauded success. I thought we always said to the men and women of this country, "Go out and work hard and do well. We want you to succeed, and if you succeed you will be rewarded". I am quite sure the Durum wheat producers in this country followed that dictum, and they have been doing quite well, in fact so well that we now hear complaints from our good friends to the south: "You can't do that, you're succeeding too well. If you don't stop selling so much, if you don't stop being so competitive, well, we may just threaten you with a countervail".

That is pretty disturbing because we know what has happened in other agriculture spheres. Just ask milk producers, egg producers and pork producers. The list goes on and on. Even one of the gentleman closely attached to the free trade negotiations, Mr. Clayton Yeutter, expressed sympathy for the Durum wheat producers in North Dakota, a state of the union just across the border from my province. He said, and it is on record in a letter to the Durum wheat producers of North Dakota, that the Americans might even consider pushing a countervail so that they can put a stop to this rather unseemly competition from north of the border.

What do we hear from the government? Not a heck of a lot. I think we could hear a lot more. We want to hear a lot more.

I notice, Mr. Speaker, that you have put up your famous finger, which signals one minute to go. I would urge my good friends who are chuckling on the other side—maybe they have heard something important this afternoon. Right?

Some Hon. Members: Right.

Mr. Harvard: It is a little late in the debate, but I do sense that government members' ears are opening, that in the last 20 minutes, there has been a little penetration, perhaps just a little. Right?

An Hon. Member: Right.

Mr. Harvard: Given this penetration, just let me say this. I would urge them to reconsider the bill, withdraw it, consult with farmers and get it right for a change. Get it right for farmers and get it right for the country.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I do not know why in the last month I have had such a tendency to pick up the remarks of the person who spoke before me. It must be a hold-over from being on a committee or something.

Picking up from my colleague who spoke last, I do not believe that this government is capable of getting anything right. The hon. member also indicated that perhaps there was some measure of understanding breaking through. I despair that that will never happen either. I despair for at least two reasons, the first being that until last May, I was a little more closely connected to the agriculture community than I am now. I sold the quarter section of land I owned at that time, but I would like to establish that I do have connections to the soil having grown up in rural Saskatchewan. In fact, it is almost impossible to be from Saskatchewan and not have some kind of a rural connection. Certainly many of my relatives are still farmers there. I appreciate what they do and I am a part of what they do.

I despair for the second reason in that for the second time in two days, I find myself having to stand against closure. If the message on this bill is not filtering through to the government, I rather suspect that the message is filtering through to the Canadian public that what we have here is a government elected a year ago which really cares not. I guess it is a misnomer to call it a government. It is not governing. The people opposite are ruling. I rather suspect that Good King John would be

very proud of the way these people are railroading their way through this Parliament.

An Hon. Member: King John D.

Mr. Fisher: No, not King John D. King John D. would not be all that pleased about it either. King John would be very pleased with the way these people are ruling. Those of an earlier era who fought so hard to bring in the Magna Carta would be as despairing as I am at the way these people are railroading their way through Parliament.

The agricultural community from one end of this land to the other has nothing very good to say about this piece of legislation. Why on earth would they rush to make use of this when they can go to their banks and get interest rates that are as favourable on loans as this government is giving? Why, when previously they were able to get interest-free loans on the commodities which the agricultural community worked so hard to produce would they be pleased that this legislation is being introduced?

• (1650)

I guess there are other questions which have to be asked in relation to this legislation. One of them certainly is why would the government introduce it. I suspect, in considering the way this government has operated since it was elected in 1984, one of the main reasons that it is being introduced is that what happened previously had the effect, if not directly and formally, of being almost a marketing board. It had a levelling effect on the ability of the producers to be able to realize to the fullest extent possible within certain limitations the fullest value for what they produced.

It meant that they were not forced, in order to have available funds at the end of the growing season when the crops become available, to sell those commodities immediately. They were not forced to glut the market with the things that they produced. Glutting the market would have the effect of lowering prices which may at first blush have been an advantage for the consumers but later on in the year, after the commodities had been used up, after the supply was gone and the prices went up, we would consume in many instances imported products and the prices would have been higher than they ever were. The consumer certainly would not benefit from that.

I suspect that certainly part of the rationale was to get away from something that had the effect of levelling those things out. When prices are relatively level, it does away with speculation. I suspect that there are a good many friends of the government who were only too pleased to be able to get involved in speculation on the commodities which our agricultural producers spend so much time producing. We say the producers ought to be able to benefit to the fullest extent. The interest free cash advance allowed that to happen.

What will happen now will do away with the orderly marketing part of the agricultural community which has been in place for so many years. The same effect will be felt no matter which commodities we are talking about. The relatively orderly marketing, transportation and in-elevator storage of western grains is being severely affected by this foolish action of the government.

Rail line abandonment, of course, is another issue. I suppose there will be some piece of legislation here shortly concerning railways for which we will see a closure motion as well. Nevertheless, over the years with rail line abandonment and the subsequent abandonment of rural elevators, the elevator storage of commodities in western Canada has been severely limited. With the ability farmers had from the advance payment to sell their commodities over a period of time throughout the year, the elevator system, depleted though it was, was not congested.

Likewise, the same could be said of rail transportation of grain throughout the country as well. It had that levelling effect on rail transportation as well as the storage of grain off farm. That is in jeopardy if this legislation goes through.

We can talk about vegetables. One of my colleagues referred to what happens with vegetables. Again, once the harvesting season occurs, there is a flooding of vegetables onto the market with the subsequent lowering of prices which does not occur if there is some kind of advance so that the farmer can get some kind of a stabilization of his income throughout the year to be able to pay off some of his debts in a more orderly way.

If it comes to a point where the farmer is forced to sell his vegetables at a lower price than ought to be realized and the stabilization program kicks in, in all probability, not only will the cost to the government through the stabilization plan be more than the support for the interest rate, it will also put into place the possibility of

the Americans bringing in a countervailing action because of this stabilization program itself. That is another one of the dangers that is most likely to occur as a result of bringing in this kind of legislation.

There have been some references to the fact that the Opposition is holding up this legislation. This is not so. There is nothing now to prevent the government from giving advance payments to the agricultural community under the present legislation. The government has simply decided not to make cash advances under the present legislation. I do not know whether it is trying to punish the Opposition or whether it is trying to punish the farmer, but whatever the case may be, it certainly is not the Opposition's fault that the farmers have been unable to get cash advances.

I see that my time has pretty well run out. I thank you very much for the opportunity to have spoken on this issue.

The Acting Speaker (Mr. Paproski): I will recognize the hon. member for Thunder Bay—Nipigon if he wants to speak for three minutes. Otherwise I can call it five o'clock.

It being five o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

BILL OF RIGHTS

SUGGESTED CHILD PROTECTION COMMISSION

The House resumed from Monday September 25, consideration of the motion of Ms. Langan:

> That, in the opinion of this House, the government should consider the advisability of negotiating with the provinces to provide a comprehensive Bill of Rights for children which would standardize laws throughout the country, and that this Bill of Rights include a child protection commission and an emergency hotline which children could contact in times of crisis.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am pleased to speak today on a motion focusing on the needs of children and on effective ways to better ensure that Canadian children live in a happy, safe and secure environment. Clearly all of us care about our children and see the future in terms of the life circumstances of these children.

Today I would like to focus on one of the key problems facing society, one which is having grave, long-lasting effects on our children, and that is the problem of family violence. To call the violence that is occurring within many Canadian families a phenomenon is perhaps not quite appropriate. For children, women and men trapped in the vicious cycle of family violence, it is a hard and frightening day-to-day reality. For those of us who remember our childhood fondly and continue to be enriched by our family lives, it is hard to imagine the family as anything other than a source of our greatest comfort, happiness and love.

In the past decade, a number of studies have been commissioned by governments or professional organizations that have provided new information and startling statistics about the incidents of family violence that challenge our most basic assumptions about what is really going on inside many Canadian families. These statistics in particular have grabbed headlines and national attention.

In 1980, the Canadian Advisory Council on the Status of Women reported that one in 10 women were beaten on a regular basis by their husbands or partners. In 1987, a follow-up report said an estimated one million Canadian women were being battered by the men with whom they live.

Professor Robin Badgley told us one in two young women experience some kind of sexual abuse during their childhood as do one in three young men. In fact, Badgley told us that 42 per cent of our population were victims of unwanted sexual acts at some point in their lives.

Only a few years ago the Fraser report on the incidence of prostitution shocked us further with the statistics on juvenile prostitution. The Canadian Centre for Justice Statistics reported that in 1986, 191 homicides, or 40 per cent of all homicides that year, involved people who were either related by blood or marriage or lived in a common law situation. It is hard to believe, I am sure. In response, governments and communities across the

country have developed a wide range of programs and services in support of families dealing with violence.

Most notably, over the last decade a significant number of crisis centres have opened, most recently as a result of the federal government's Project Haven. Likewise, progress has been made in areas of police intervention and their policy of laying assault charges against those who abuse their spouses. As well, a number of media campaigns and public service announcements have served to increase our awareness of the problem.

This government introduced and passed new legislation a couple of years ago which makes it easier for children to testify in sexual abuse cases. Mr. Rix Rogers, well known for his work on behalf of the voluntary sector, was appointed as a special adviser to the Minister of National Health and Welfare on child sexual abuse. And, as we have already heard, Mr. Rogers is expected to present his report to the minister.

For many years, the federal government has shared with the provinces the cost of crisis intervention programs and through the Canada Assistance Plan, the provision of shelters in communities across the land. We have also done our part to co-ordinate and collect information for services providers and researchers through the National Clearinghouse on Family Violence. In addition, the federal government has funded a large number of projects and studies and has been at the table for nearly every discussion of substance on family violence that has taken place in the past decade.

Internationally, as well, Canada is well known for the priority it gives to the prevention of family violence. For example, in the mid-1980s Canada put family violence on the agenda of a European meeting of ministers responsible for social affairs. The Canadian government has also made a major statement to the United Nations inter-regional consultation on social welfare which asserted that family violence should be a concern in all societies, regardless of culture, age, or economic status. As we all know, Canada is also very much involved in the United Nations activity on the Convention of the Rights of the Child, which is expected to be adopted later this year.

Though we have plenty to be proud of, we would all be kidding ourselves to think we are even close to finding solutions which get to the root of the problem. There are a few things of which we can be sure. We know the cost to our society is great in personal and global societal terms. We know many of our costly social programs are rooted in violence which begins at home. We also know that family violence tends to be passed on from generation to generation. The little girl abused by her father all too often becomes a battered wife or turns to prostitution. The young man who watched his father dominate his mother with violence learns to repeat that pattern with his own family.

Our penitentiaries, our hospitals, our schools, our transition houses, our streets, are full of people who have learned first hand the lesson taught by violence. Other lessons about civility, personal and social responsibility, and trust come much harder. We know too that it is usually when we combine our resources that we collectively move closer to finding real solutions to family violence.

In its report "Battered but not Beaten", the Canadian Advisory Council on the Status of Women gave all the service providers active in the violence area a pat on the back for the work they have done to date. The report's author said, however, that despite all our good intentions and good work we had a fundamental problem, our efforts failed the "reality test". The author says we just did not always meet the test of the battered individual's reality. We do not always understand, nor are we always equipped to address the real human needs, either before or after the violence occurs. It is at the individual "people" level where the hurt lingers and where the answers must be found.

It is also at the individual "people" level that families come into play. While families are the source of hurt for some, they can become the source of comfort for others. We all certainly have to recognize the essentialness of the family.

But where do we go from there? We certainly cannot stand by and watch the violence continue. In the ideal world I think we all want to move closer to the positive vision of the family. We all want to see a safe place to call our own. We all want to have children and spouses nearby to enjoy time together. We all want to be secure

in our relations, to be free of fear, to have a sense of well-being that comes with security of hearth and home, to be cared about.

The federal government alone cannot deliver that perfect vision of the future to individual Canadians. The causes and effects of family violence are much too complex for us to presume so much. Only through a partnership with the provincial governments, the voluntary sector, service providers and, most importantly, communities across the country, can we have a good chance of restoring some balance and some security to those who have lived with violence.

The federal government has already called on this partnership, on this co-operative effort, most recently, of course, in the form of National Health and Welfare's announcement yesterday to pledge financial support of up to $1.3 million for the "Kids Help Line".

As you may know, the Kids Help Line was launched by the Canadian Children's Foundation in May, 1989. It offers immediate, free and anonymous help to Canada's seven million children. Counselling, information and, if appropriate, referral services are provided to children and youth experiencing a variety of problems including child abuse and/or neglect, loneliness, alcohol or substance abuse.

Federal moneys will be available over the next 12-month period. Six hundred and fifty thousand of the $1.3 million will be provided immediately and the remainder will be made available on the basis of a dollar-for-dollar matching with financial support from other sources, most importantly, the corporate sector.

We have made a lot of progress, but there is clearly much more work to be done. This government takes this issue and this challenge very seriously and will continue to strive to foster a society that is caring and secure.

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise today to speak as strongly and as passionately as I can in support of this motion.

In legislation in various jurisdictions across this country that relates to the family there is a phrase that recurs over and over again. That phrase is, "The best interests of the child are paramount". We see that phrase in federal and provincial legislation. We hear lip service paid to it on almost a daily basis by lawyers, social workers and judges, by people in this country generally. The problem is that that is all it is, it is lip service.

In Canada in 1989 the status of the child, of far too many children, is one of poverty, of fear, of abuse. One million children or more in this country live in poverty. One million children or more in this country have to depend for their sustenance upon food banks. Children in every province and territory of this country are subject to horrendous forms of abuse that would give nightmares, and do give nightmares, to any one of us sitting in this House.

• (1710)

The problem is that we all, as a group, agree that this situation must stop, that children need to be protected, that if we have no other task to accomplish, not as politicians or legislators, but as human beings, the protection of our children has to be the foremost action to be taken in our lives.

The kinds of things to which children have a right crop up in legislation right across the country. As well, one of the areas of reference for a motion such as this is the United Nations Convention on the Rights of the Child. That particular document talks about a child's right to care, a child's right to a home, to adequate health care, to protection from abuse, to protection from exploitation and to protection from war. Obviously, there are things that we can do about this in the short term and things that we can do about it in the long term. But the blot on the escutcheon of every one of us as Canadians, is that we do very little about it at all.

Every day in this country social workers, school nurses, teachers, lawyers, all sorts of different levels of professionals who work in the area of children's rights, see time and again how the system prevents us from adequately protecting children.

Just recently we have heard terrible stories of sexual abuse. It is not limited to one province, it is not limited to one neighbourhood. It goes on everywhere. It is not limited to a particular social or economic class. It is not limited to a particular geographic area. And what do we do in response? We sit back and say, "This is terrible, something must be done".

In supporting this motion we see the opportunity to actually do something. This is not something that depends on partisan politics. I do not think there is a soul in this House that would not rise to fight for the rights of defenceless children. But the time has come for action. As my colleague across the way said, it can only be done in co-operation with the provinces. But, the political will, I suggest, must come from the federal government

to make the move to the various provinces. The support that is necessary to get programs and legislation such as this, in its various forms, where it is necessary in the different jurisdictions off the ground, has to have a prime mover and that prime mover should be the federal government.

Every day when we hear about the various problems besetting children across this country there seems to be one or more that will take the limelight for a short period of time. Not to denigrate the need for action and positive support in the area of child sexual abuse, or in the area of physical abuse against children generally, I think that we have to look at this in a more cosmic manner, if you will. We have to look at the very basics that are necessary for children—not even necessary, but that are the rights of children. We have to look at the need for shelter, proper nutrition, proper schooling and proper health care.

I mentioned earlier the various workers who toil on a daily basis against overwhelming odds to assist children. One particular experience that I had as a practising lawyer comes to mind. It was the case of two children who were apprehended because they were, indeed, children in need of protection. They were in the custody of a parent who had a severe alcohol problem and who was absolutely incapable of caring for them. The two children were apprehended by the relevant authority. They were approximately three years apart in age. One child was placed in a foster home, the other child was placed in a group home. The foster home and the group home were 40 miles apart, there was no opportunity for these two children to see each other and to maintain almost the only form of emotional contact and emotional relationship that had sustained them in their short lives.

The younger child became very withdrawn. Again, the social workers were worried, the judge was concerned, the lawyers were concerned. Everybody was worried but there was no facility available to keep these two siblings in the same place. Finally, after a tremendous effort by all concerned, after three months a foster home that would take both children was found. I can only speculate as to the damage that had been done in this length of time to two already damaged children.

In a sense it was nobody's fault in the specific. It was not the judge's fault, the lawyers' or the social workers' fault. It was the lack of a political will to provide the atmosphere for children in need of protection, to ensure that in attempting to protect them we do not worsen their situation. It is not cheap and it is not easy, but it is the major duty of all of us to provide it.

A further thing that took place, indeed with these same children, was the realization by all the professionals involved in this particularly tragic case of the relationship between the older child and his parent. It had become a reversal of the parent–child relationship. This child was taking the responsibility and ran away on various occasions from the group home because he felt he had the responsibility to care for his alcoholic parent. This child was 11 years old.

Because of the lack of support services for this family from the beginning of its troubles, because of the lack of emotional support, the lack of counselling, and just the general lack of a plan to deal with children who are suffering in our society, this child became delinquent and eventually ended up in the young offenders system in our courts.

In closing, Mr. Speaker, I would like to compliment the member for Mission–Coquitlam for bringing forward this motion. I would like to utter *un cri de coeur* to all of us here in this House that when it comes to the issue of children and their needs and their rights that we put aside our partisan considerations and work as a single unit to bring about the legislative and social support systems that are needed to ensure that children can take their full place and receive their rightful heritage in our country.

Ms. Dawn Black (New Westminster—Burnaby): I am pleased to have the opportunity to speak to this motion presented by my colleague for Mission—Coquitlam. I am pleased to be able to support this motion.

This comes at a very critical time for it is long past the time that we took the issue of children's welfare seriously. Society has developed many altruistic and benign phrases with regards to children. We have all used expressions such as, "children are our greatest resource"

or "children are our future". These words are correct because children are our future, they are our greatest resource, and they are presently the ones who we as a society have failed most harshly.

The United Nations General Assembly has been grappling with the issue of children's rights for the past three decades. Ten years ago it established the International Year of the Child. Now, after years of consultation and negotiation, the General Assembly is going to, hopefully, adopt a convention on the rights of the child.

It is imperative that we address this situation nationally and internationally for the problems affecting children are critical. Throughout the world children bear the brunt of society's callousness, whether it is through war, poverty or the lack of status within their own country. We know that there have been over 200 wars since the end of World War II. With the advent of technology we have all been able to see images of never-ending armed conflict in our world.

• (1720)

We have seen a young girl run from the horror of a napalm attack. We have all seen toddlers picking their way through the rubble of Beruit. In a really haunting photo we have seen an infant held in his father's arms dead after a poison gas attack. War has made them orphans. It has turned them into refugees. Indeed, over half of the world's 12 to 14 million refugees are children. We know the many problems that refugees face; overcrowded camps, long waiting lists for entry into safe countries. However the situation is much worse for children who are refugees. Should they be fortunate enough to escape to an area of greater peace, the future for them is still very bleak.

The United Nations estimates that almost 100 million children today are homeless. Their only means of survival is on the street. This means that they have no personal security and no adequate source of nutrition. Many of them are unable to receive even a basic level of education. It is estimated that one-seventh of all school age boys in the world are unable to attend school, and the situation is much worse for school age girls, Mr. Speaker. One-quarter of these girls are not in school. Many of them are not in school because they are forced into the workforce. Child labour is a booming activity around our world. Over 80 million children between the ages of 10 and 14 are working, and this figure increases once we add in those children under the age of 10.

If the statistics about war and homelessness and poverty are not bad enough, we should take a moment to look at the bottom line of our treatment of children. Forty thousand children die each and every day from starvation, from polluted water and from disease in our world. Each one of these 40,000 deaths could be prevented by one single vaccination. Could anything be so simple? Can anything be as cruel to deny this?

We can prevent these unnecessary deaths. To give everyone in the world; women, men and children, adequate health, food, shelter and education would cost only $17 billion. For anyone who thinks that this is an outrageous figure, Mr. Speaker, let me put it in relative terms. Every two weeks the world spends that much money on weapons alone.

I know that everyone in this House is disturbed by such negligence towards innocent children, but this problem is not a problem restricted to only the poorest of nations or to those countries that are plagued by civil war. The problems are also reaching crisis proportions here in Canada. Today, here in Canada, one in five children live in poverty. For many of us that is a very frightening statistic, but for over one million children in Canada that is the debilitating reality.

To be a child born into a poor family in Canada today is to have a death rate that is 50 per cent to 100 per cent higher than that of children born into affluent families. If these children are fortunate enough to survive they will experience more health problems. The disadvantages continue as they grow older as poor children are twice as likely to drop out of school.

This problem is approaching epidemic proportions, but why? Because we are forcing more and more of our children into poverty. The Canadian Council on Social Development has recently issued the Canadian Fact Book on Poverty. It notes that in 1975 someone who was receiving minimum wage and supporting a spouse and a child earned an income equivalent to 81 per cent of the poverty line. By 1986 the same worker earned only 46 per cent of the poverty line. Now, with both spouses working for minimum wage, they would still reach only 92 percent of the poverty line.

Our present system entrenches these individuals into a life of poverty, and it is the children who are the most harmed. In Canada 61.8 per cent of children of single mothers live in poverty. In Sweden the figure is only 9.8 per cent. We do have options that are available to us. Unfortunately, our government refuses to act.

First of all, present rates of social assistance fail to provide any real semblance of fair support. The Social Planning and Research Council has noted that in my own home province of British Columbia assistance rates are far from realistic. On B.C. welfare rates a parent is only able to feed a child properly, using the Canada Food Guide, for two and a half weeks out of every month. What are these children expected to eat for the following 12 days? Malnourished and hungry children are unable to function properly in school. Some schools now offer a lunch program to battle the growing problem of hungry children.

I recently visited a school in Vancouver, one of only five schools in the whole city of Vancouver, that offers a hot lunch program to children. It is a great deal of work for the parents in that community, for the teachers and the support staff, but it is wonderful to watch these little children carrying their trays up to receive a nutritious meal at lunch time.

What are we doing to help all the other children in Canada who fall between the cracks of our social assistance programs? Unfortunately, if the government continues with its present agenda, the situation will only worsen.

This government has not raised the federal minimum wage since 1986. At $4 an hour it still remains the lowest minimum wage in all of Canada. We have not developed any cohesive and responsible system of job creation. Three-fifths of the jobs created in the last four years have been low-wage jobs. The government is reinforcing the chains of poverty on children.

If the federal government is truly committed to protecting children it will act. The government has a choice. It can continue to address the needs of big business or it can look at the faces of the children who are lined up at food banks, crowded into unsanitary, unsafe housing, and say, "Enough is enough".

I support this bill, and I congratulate my colleague for Mission—Coquitlam for bringing it forward.

[*Translation*]

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, first of all, I would like to start the debate on Motion No. 254, in the name of the Hon. Member for Mission—Coquitlam (Ms. Langan), with a quote from the *Grand dictionnaire des citations françaises* by Collange which reads as follows: "Children can teach us to take advantage of every moment instead of complaining about the weather".

I thought this was very apt, Mr. Speaker. As the father of two children, I agree that having children is truly an enjoyable experience. You know, sometimes when you come home and you see toys all over the place, you sigh: They haven't put them away yet. And you complain.

However, Mr. Speaker, when you think about it, you are glad those toys are there, because it means the house is alive, and you realize it is nice to have a family.

To get back to motion No. 254 in the name of the hon. member whom I got to know a little better when she travelled with us across the country when the committee was considering Bill C-21 on unemployment insurance reform—she is a very dedicated person and I understand why she is anxious to have a special bill of rights that will protect children.

We are talking about missing children, children who have been abused, about violence against children and also about sexual abuse.

Mr. Speaker, in this connection I would like to mention that the Ministry of the Solicitor General has played an important national role in responding to the missing children issues.

Before providing the details on current ministry involvement in missing children, it may be useful to recall the history of the federal government's involvements in the issue.

In 1985 the government was faced with growing public concern about child abductions by strangers.

• (1730)

Public concerns were based on a small number of well publicized cases of the abduction and murder of children. These public concerns were intensified by alarmist and inaccurate media reports.

At the time, reliable national statistics were not available in Canada to put these concerns in perspective, by providing accurate information on the actual extent of the problem in Canada. In response to this situation, the then Solicitor General of Canada, announced a missing children initiative in December, 1985. As key elements of this initiative, the minister announced plans for a national forum on missing children, the creation of a missing children registry within the RCMP and initiated a research program on missing children.

The overall objective of these initiatives was to increase our knowledge of the problem and of the needs of missing children, and to use that knowledege as the basis for a concerted national effort to improve efforts to prevent children going missing, and secondly to improve the overall responses of police, government departments, social agencies, and voluntary groups in locating and helping missing children.

As you know, the police are normally the lead community agency in responding to a missing child incident. This is true whether the child has run away from his or her home, been abducted by a parent or abducted by a stranger.

The creation of the RCMP Missing Children Registry, in July, 1986, has been the single most important contribution of the Ministry of the Solicitor General to the missing children issue.

The centre has a direct link to the missing persons file of the Canadian Police Information Centre. Whenever a missing child is reported to a police agency in any part of Canada, this report is immediately entered in the C.P.I.C. missing persons file.

Thanks to direct access to the missing children files, the registry staff is able to assist the efforts of police agencies, provincial government departments, social agencies and organizations such as Child Find to locate and return missing children.

The registry's statistics demonstrate both the magnitude of the missing children problem in Canada, and the importance of the role of the registry and the police in responding.

Thus registry statistics for 1987 show that over 57,000 missing children incidents were reported to Canadian police, and that in 56,000 of the incidents, the children were located during that same period. At any given time, there are approximately 1,500 children currently missing and reported to Canadian police. This is not a negligible figure, 1,500 children missing at any given time.

The registry staff play an important role in international liaison. For example, registry staff assist United States jurisdictions searching for missing children in Canada. They also help Canadian agencies contact the appropriate jurisdictions in the United States in searching for missing children believed to be in the U.S. To ensure effective international co-ordination of efforts to locate and return missing children, the registry maintains contact with the U.S. state and federal clearing houses for missing children, as well as with Interpol, External Affairs, Canada Customs, and voluntary agencies.

Mr. Speaker, I believe that the RCMP—and Canadian police agencies from coast to coast—deserve high praise for the manner in which they have responded to the needs of missing children. You can imagine how hard it must be on a family!

In addition to the creation of the RCMP Missing Children's Registry, the Ministry of the Solicitor General has undertaken a program of research on assessing children in four major police agencies—Montreal, Toronto, Edmonton and Surrey, B.C. The purpose of the study was to understand the nature of the problem including the relationship with other social ills including family violence, child abuse and delinquency.

The findings of the research reinforce the statistics from the missing children's registry. The majority of the missing children incidents reported to the police involve children running from their home or from an institution. Many of these children run away more than once during the same year. After runaways, abductions by parents constitute the second largest category of missing children incidents reported to the police. Abductions by strangers constitue a smaller but nevertheless important number of cases. Such abductions are most serious and difficult to live with for the families.

These findings, as well as the experience of the missing children's registry, underline the fact that all missing children should be considered at risk. Whether the child is fleeing an unhealthy family environment or has been abducted by a parent in the context of a custody dispute—and certainly when abducted by a stranger—

the child's intellectual, emotional and moral development and physical safety is threatened.

Mr. Speaker, our Department will also continue to cooperate with other federal departments, provincial governments and voluntary agencies in the search for effective preventive and support networks for missing children, and indeed for all children and young people who need help.

Mr. Speaker, in our colleague's Motion 254, she wants a children's emergency hotline established. You know that there is a voluntary organization, the Canadian Children's Foundation, which has already set this up. Since May this year, it has operated the first emergency telephone line for Canadian children. It is called *Kid's Help Phone* and provides some seven million children with immediate, free, anonymous assistance, in both languages.

Mr. Speaker, in view of the positive results achieved, with some 654 phone calls a day or 45,000 cases in the last few months, our Government will spend $1.3 million in a 12-month period to support the work that has been done by this agency and to ensure that there will always be a telephone line to help children going through difficult times, whether due to sexual abuse or something else.

[*English*]

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, in listening to the comments of the previous speaker, I have to concur that, yes, there have been some initiatives made by the federal Department of National Health and Welfare with regard to children. However, in reading the motion as put forward by my colleague from Mission—Coquitlam, it states:

> That, in the opinion of this House, the government should consider the advisability of negotiating with the provinces to provide a comprehensive Bill of Rights for children which would standardize the laws throughout the country—

What could be so wrong with that particular submission? It goes on to state that that bill of rights ought to include a child protection commission, and an emergency hotline. I cannot understand how any member on any side of this particular Chamber could object to the substance or, more particularly, to the intent of the motion as put forward by my colleague.

It is very clear that what is being suggested in this motion is something that all parliamentarians, regardless of political persuasion, ought to support. Yes, there may be some fine tuning from time to time that members opposite would wish to include, add or amend, but the intent is very clear.

The third part of the motion it talks about an emergency hotline. We are all aware that very recently the Canadian Children's Foundation, a national non-profit fund raising organization put together what is known as the Kids Hotline. Yes, the government has participated to a certain extent, but the government also now knows that this national organization is in need of federal funding. It would not an ongoing expense of the Government of Canada, but a one-time grant to be given to that organization so that it may carry on its activities.

• (1740)

What the hon. member is suggesting in her motion is before the Canadian people at the present time. I assume all of us who are sincere when we say we wish to do things for and on behalf of children must conclude this motion is acceptable in terms of form, acceptable in terms of its intent, and acceptable in terms of its substance.

A U.S. child psychologist said, and I quote: "The concept of childhood is threatened with extinction in the society we have created. Today's child has become the unwilling, unintended victim of overwhelming stress, the stress born by rapid bewildering social change and constantly rising expectations."

In our rapid, fast-moving society, we have made great strides when it comes to technology and dealing with changing labour market demands. As with most strides or progress made in one field, another field usually gets left behind. Unfortunately, the children of the world and, yes, the children of our country, have been subject to this oversight.

One could argue with very little difficulty that the children have been robbed of their childhood. Children need time to grow, to learn, to laugh and, yes, to feel free. Society today, however, has laboured our children with social problems that serve only to stunt their growth and their development. To name a few there is child abuse, sexual abuse, child suicide, runaways, kidnapping, neglect, child pornography, child prostitution, emotional

and psychological developments, drug and alcohol abuse, child crimes and teenage pregnancy.

As all hon. members would attest, the children of the 1980s and 1990s are not the same as the children of the 1940s, 1950s and 1960s. Today, a child is told not to talk to strangers, not to take candy from strangers, not to be left alone with a teacher or, indeed, anyone else. It could be argued—and I argue it—that we have a generation of children growing up and learning not to trust. This is very sad. It is very sad for parents, very sad for institutions which must deal with children and, yes, very sad for the children themselves.

It is our fault as Canadians, because their trust has been violated. One prime obvious sad travesty is a situation which we have all evidenced on national television, that being the situation in the province of Newfoundland.

We thought it was only adults who experienced stress and anxiety. Children have been diagnosed with free-floating anxiety. In adolescence, free-floating anxiety can take the form of depression and contribute to suicide. In Toronto, as in many large cities, the increase in stress reactions among young people have been so great that special children and adolescent services have been set up to care for these youngsters.

A clinical psychologist, Diane Syer, who is at the crisis intervention unit at the Toronto East General Hospital, said, "This trend can be blamed on the fragmentation of the family and the erosion of social institutions such as religion, the mobility of people in our society and a pervasive sense that the future will be grim."

All children have special needs, intellectual, social and emotional. These needs are not necessarily the same as adults. Children do not learn and think in the same way as adults. For these reasons alone we need a comprehensive bill of rights for children.

When all else has been told, the best years of your life are when you are young. For many children there is truth in this statement, but for many others that is not the truth. We need a bill of rights for children to protect children by law and to bring back the real meaning of childhood.

The institutions of the 1940s and 1950s, indeed the 1960s and part of the 1970s, in many instances no longer serve our children the way they ought to. There is a role, a fiduciary obligation if you will or a moral obligation on the state, namely the national government, to provide leadership in an important area affecting children across this land.

I am fully aware, as is I believe my colleague who moved this motion, of the jurisdictional difficulties. Are we as parliamentarians prepared to say that because of the constitutional dilemma that this may present we will not act in the paramount interest of children? Is that what we as a Parliament in 1989–90 wish to say to those children across this land? Surely, if one examines the intent of the motion, the words used are: "the advisability of negotiating with the provinces".

Surely the minister responsible, either the Minister of National Health and Welfare, the Solicitor General or indeed the Minister of Justice, would want to put a position paper before the provinces in this country to have them respond, not in a partisan way, but in a very caring, sensitive way, to a Canadian bill of rights for children.

If that were done, if that leadership were exercised by the Government of Canada, I am reasonably confident that the spirit in which it would be made would be one of non-partisanship, one to address children of all ages, of all regions, of all faiths, of all ethnic backgrounds. I am sure you would find in the provinces a sense and a warming to the concept of a bill of rights and thereafter a consensus for its establishment into law under federal statute affecting each and every province.

On that note, keeping in mind that my time is limited, let me congratulate once again my colleague for the introduction of this Private Members' Motion, and to say to all members on both sides that the intent, the form and the substance is something which all members should rise in their place and fully support as it speaks to the best interest of tomorrow's leaders, namely, the young children of Canada.

[*Translation*]

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, there are many children in Bourassa, which is why I am delighted with this opportunity to speak to the subject of child welfare once again. I want to thank the hon. member for Mission—Coquitlam and the hon. member who spoke earlier for presenting and addressing a motion on the important subject of children's rights and how they should be protected. I think the Hon. member

will agree that what I have to say may be a satisfactory response to her concerns.

According to the motion tabled in the House:

> —the government should consider the advisability of negotiating with the provinces to provide a comprehensive Bill of Rights for children which would standardize laws throughout the country, and this Bill of Rights include a child protection commission,—

Mr. Speaker, this motion faces some very real obstacles in the division of legislative powers provided by our Constitution in this country. We believe, however, that there is a more realistic approach to achieving the objectives expressed in the motion, without changing the division of powers or perhaps disrupting child protection services already in place.

• (1750)

In fact, the solution I intend to propose would make it possible for all parties to go beyond the objectives stated implicitly by the hon. member in her motion.

Mr. Speaker, to ensure that the interests of Canadian children are served as well as possible, the Government of Canada should consider, in close consultation with the provinces and territories, ratifying a draft international agreement designed specifically to protect the rights of the child, not only in Canada but throughout the world. I am, of course, referring to the draft United Nations Convention on the Rights of the Child, which will probably be approved by the UN General Assembly later this year.

The Convention on the Rights of the Child proposed by the United Nations would establish a modern, international standard for the protection of the child's social, economic, political, religious, cultural and civic rights. We are talking about a convention that provides for the widest possible range of rights. Its 54 articles, which are still at the draft stage and concern the rights of the child, guarantee the protection of children without families, children exposed to violence and neglect, children who are the victims of exploitation, whatever form it may take, and handicapped children and their right to be treated without discrimination. By providing for such a wide range of rights for the child, the draft United Nations Convention is a fully satisfactory response to that part of the motion before the House which mentions the need for a comprehensive Bill of Rights for children.

Mr. Speaker, the Convention on the Rights of the Child proposed by the United Nations also provides for a number of mechanisms to monitor compliance. First of all, each country that ratifies the convention shall submit to the United Nations, within two years following ratification, a progress report detailing the nature and scope of the measures taken to implement the provisions of the convention. Furthermore, the draft convention provides for a committee on the rights of the child, an international panel of experts that will be responsible for evaluating the living conditions of children in the countries that ratify the convention. The committee will have the right to publish the results of its inquiries and to recommend certain measures for the protection of children.

If Canada decides to ratify the convention, the Government of Canada would be subject to the same scrutiny as the other signatories.

Mr. Speaker, the provisions of the draft UN convention that provide for monitoring the rights of the child will achieve the same objectives or objectives similar to those of the child protection commission proposed by the hon. member.

The UN Convention of the Rights of the Child is receiving more and more support throughout the world. Supporters of the convention have agreed on 1989 as their target year for ratification of the convention by the UN General Assembly. The House will recall that 1989 marks the 10th anniversary of the International Year of the Child as well as the 30th anniversary of the Declaration of the Rights of the Child at the United Nations.

This declaration contains recommendations for the rights of the child but does not have force of law. Unlike the proposed convention, the UN Declaration of the Rights of the Child is not an international legislative instrument that is final and binding.

Mr. Speaker, except for unforeseen circumstances, it is expected that the UN General Assembly will approve the international convention in 1989, so that the Government of Canada will be able to ratify it.

Hon. members will be interested to know that Canada is internationally recognized as having played a leading role in drafting the proposed convention. All or part of versions prepared by Canada were used as the basis for articles on child sexual abuse, health, standard of living,

education goals, recreation, economic exploitation, criminal procedure and care mechanisms.

This is just one more reason why the Government of Canada, with the assistance of the provinces and the territories, should consider ratifying the convention.

Mr. Speaker, ratifying the international convention would involve making our laws conform to the convention, both federally and provincially. Since we would be obliged to align our legislation with the provisions of the proposed convention, the ultimate goal of the ratification process would be to provide for some standardization in the provisions of child protection and child welfare legislation across Canada.

To that extent, Mr. Speaker, ratification of the convention would be a response to that part of the motion tabled by the hon. member which asks that child protection laws be standardized across Canada.

Harmonizing federal and provincial legislation with the standards set forth in the proposed UN Convention on the Rights of the Child has been in the works for quite sometime. It is therefore not unlikely that the convention's provisions will be approved by all Canadian jurisdictions.

Mr. Speaker, the proposed convention stresses the right of the child to receive the best possible health care and requires countries to ensure that no child is deprived of access to such care. That is also, Mr. Speaker, the objective pursued by the Government of Canada.

Under the Canada Assistance Plan, the Government of Canada shares with the provinces the cost of helping families who are, or are likely to be, in need and who have children. Family allowances and The Child Tax Credit are among the many other measures designed to afford economic protection to Canadian children.

By definition, children depend on their families, on care-givers or on other adults to whose care they have been entrusted, all of whom must consider the best interests of the child and act accordingly. When that is not the case or worse, when the child is abused or neglected, the child is in danger and something must be done.

Mr. Speaker, it is not easy to fight problems like violence against children. We have to make the best interests of the child our priority.

Particular emphasis is placed on the fight against child abuse in the Canadian children's program which is co-ordinated by the Family Violence Prevention Division of the Department of National Health and Welfare. The Division is responsible for $20 million in funding for innovative projects that will help prevent child sexual abuse.

The Family Violence Prevention Division was created in 1986 as a visible agency for co-ordinating federal initiatives in the fight against family violence. It includes the National Clearinghouse on Family Violence, a source of information and public awareness tool, thanks to its publications and audio-visual material.

Mr. Speaker, although the merits of the motion before the House are quite obvious, we feel there is a better way to protect the rights of all children.

[*English*]

The Acting Speaker (Mr. Paproski): We started Private Members' Hour at 4:58 p.m. Therefore, the time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 93, the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee; and the amendment of Mr. Schneider (p.5069).

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, it is a privilege for me to rise this afternoon in this Chamber and speak on behalf of every farmer in this country who will be hard done by as a result of the actions of the government in reducing their interest in the rebate of $27 million on their advance payments quota.

• (1800)

Before I get into the substance of my remarks, I would like to discuss the comments of my friend for Mackenzie who spoke earlier in the day. I was very interested in his comments, especially those that originally went over some of our heads, when he was talking about his province of Saskatchewan and he mentioned "divine " wisdom and all of those events that happened in the province of Saskatchewan that are led by the "divine" intervention, I would imagine, of the premier of that province.

Also, I cannot help but remark on the comments made by the member for Athabasca who was trying to justify this government's moves in respect to the closure motion. He said that we were the members in this House who were causing the farmers to be denied the benefits to which they were entitled. I feel offended by those comments, inasmuch as I never heard anything that was further removed from the truth.

Since I have been a member of this House, I have seen many instances where the government has done things that it wanted to do without coming to this House for approval. It spent funds without coming to this House for approval. It spent approximately $10 million on advertising the goods and services tax in newspapers right across this country, and it did not come to this House for approval. Yet, the member for Athabasca rises and states that we are denying the farmers in this country the wherewithal to meet their interest commitments. That is not quite correct. I want to draw his attention to that matter.

This government, by its actions, has proven that it does almost anything it wants to do, almost to the point that it has forgotten what the parliamentary system is all about. From our experience, it looks as if it is operating an executive form of government, much the same as our friends in the United States. It seems to be able to do whatever it wants and then come to Parliament for approval after the fact.

The government seems to forget that in the parliamentary system, matters of great concern to this country come before this House, this Chamber for full debate, and once they are debated to their fullest extent, there is a vote. That is the parliamentary system under which this country has operated since 1867, and I suspect will continue to operate, regardless of what the government is doing with respect to the executive type of administration that it seems to be leading this country into.

As I discuss this executive form of government and its actions, I want to comment on the closure motion. I think this is the ninth time in the short history of this government that it has invoked the time element on the debate of a bill. It is important for us to understand what is happening, particularly when it affects the agricultural community of our country.

Limiting debate is repugnant. It shows an irreverence for this House and a disrespect for its procedures and those things that we, as parliamentarians, have come to hold very dear to our hearts. We hope that by expressing our concerns members opposite would reconsider their future actions and decide that closing debate on vital issues that affect every person is not the proper way to run a country. We have to form a consensus of opinion that meets the needs of the people in this country for the purposes of unity and harmony, and that is what I think we are all trying to achieve.

It does not surprise us that they would move in that direction, inasmuch as this government with this bill on agriculture and its effect on the farmers in our community has shown a complete disrespect for all small town Canada, and rural Canada. This morning we attended a transportation hearing. We were talking about VIA Rail and Rural Dignity made a presentation. When you consider all of the facets that happen in rural Canada today such as the disbanding of rural post offices, the disbanding of passenger rail service in our country, all the other elements that do not affect the cities of Toronto, Montreal or Vancouver, you can see why they would form this allegiance to the big centres of the country and have a complete disregard for our small communities where most of the farmers in our country reside.

When you speak of agriculture in our country your mind wanders immediately. I am from Ontario. When you travel down highway 401 from Toronto to Windsor you can see all those magnificent fields laden with corn, black earth and the vegetables that they grow. These lands provide Canadians with fruits and vegetables. These farmers are being hurt by what this government is trying to do with this bill.

As your mind wanders and travels to the west, to the provinces of Manitoba, Saskatchewan and Alberta and those magnificent fields of grain, soybeans, and other crops grown there, you think of the crops that are so vital to our communities and to our country. As you think of the grain in the west, you think of the very complex growing system and manufacturing system that we require to grow that grain and get it to those very vital export markets on which we rely to balance our payments.

It is a complex system, and I want to address that in a few moments to show why the farmers in this country need that $27 million in order to make sure that the process is kept in place. When you think of this magnificent industry growing in the western provinces and the subsidies that are required to assist it, and the $27 million is part of that, when you think of the system that is required to take this grain from its source of supply on the farms of this country and trucked to smaller elevators and from the smaller elevators put in the rail cars and shipped, you think immediately of the complex nature of the transportation system that is required.

When you think of transportation and the movement of grain, you automatically think of the Western Grain Transportation Act, and let me just comment on that for a moment. When we talk about agriculture and grain, we cannot help but mention and address the issue of the Western Grain Transportation Act and the inequities that arise out of that particular piece of legislation.

On the one hand, we are talking about $27 million in interest payments, but when you discuss the Western Grain Transportation Act you are not talking of a subsidy on transportation of $550 million or $600 million. I think the numbers that we looked at at the end of last year were well over $1.1 billion in subsidies for the movement of grain in this country from the western provinces to Prince Rupert and Vancouver in British Columbia, or the alternate route in my riding of Thunder Bay—Nipigon.

When you consider the enormous subsidy in this western grain transportation program and compare it to the $27 million, it pales by comparison. That Western Grain Transportation Act has to be changed for the benefit of the agricultural producers and for the farmers of this country who are growing our grain, but that is an argument for another day.

• (1810)

We rise in this House on this side to provide support and interest in the hope that we can convince this government to retain the steady and even flow of products into our system.

The system that I talked about is the operative word. In the growing of grain, we are not simply talking as if it was many years past of going out into fields and planting seed, hoping and praying for some sunshine and some rain so that the grain would grow and then harvesting the grain and shipping it to ports. The system today is so complex, so highly technical, it is a process that defies the imagination from the planting of the seed to its eventual use somewhere in another country in this world. Some of it will stay in Canada, but most of it will be exported to other countries, Third World countries, to feed people in China, to feed people in the Ukraine, to feed people in Poland, and to feed people in Russia.

What we have is a very complex manufacturing process in growing our grain and getting it to the eventual user in our country. That complex process requires everyone contributing his part to make sure that the process continues on its way to its eventual use.

And a good part of this government's obligation is to make sure that from the time the seed is planted to the time it is harvested and to the time it is merchandised, that the farmer, the owner, the person who is responsible for the fundamental issue in this, is recompensed for his problems. Making a car is simple; you make the car, you take it out and sell it. But grain takes from the middle of April when the crop year begins to September and that process has to be financed. All we are talking about here today is that period of time where we have the grain starting to grow to the time of its eventual processing and distribution to those people I mentioned before.

It is a complex system, and farmers are automated to the best of their ability now. Prior to April they plough the fields, till the soil and plant the seed. At all times they hope that there will be just enough rain and just enough sunshine so that they can get a crop, contrary to what we experienced last year. They tend to their crops through this period of time, and there is constant work that is involved, and then it comes time for harvest.

The harvesting on the prairies is done with these magnificent machines that do it in such short order today. If everything is good, they get a reasonable crop. In some years, they get a magnificent crop. In other years they get a very poor crop. On the average, crops have been good.

After harvest they can store it in their own storage areas within their farm yards, or they can load it on trucks and take it down to the terminals that store it for them. Their responsibility almost ends there, but they do not get paid for it then.

They can either handle that grain on their own, or they can give it to a pool and the pool will handle it for them. This is a process that I am talking about where they need this interest, this assistance on advance payments in order to help them continue to produce what they do and to make profit.

The system gets complex. They store it in the prairie grain elevators. Now it has to be moved from the storage facilities and the grain facilities that they have in western Canada. The Wheat Board then decides where the market is going to be. They will ship it to Prince Rupert or Vancouver, or they may decide to sell the grain to their European markets and ship it to Thunder Bay. It is easy to say that they ship it to Thunder Bay, but the process in itself is complicated.

I get back to this intricate system that we need to produce our grain harvest. It goes from the elevator, to be loaded on to a special type of railway car, and it is moved either up the mountains to Prince Rupert and Vancouver or it is moved downhill to the ports at Thunder Bay. From the yard where the cars are marshalled in these areas they are brought into the terminals and the grain elevators. I can speak with some authority about Thunder Bay. If the grain is moved into those marshalling yards, the grain is then sorted, put in different elevator bins, and cleaned. Value is added at that point, and then it is stored in another elevator.

The grain has been handled now about six times. You would think at that point we would be getting toward the end of the process, but the transportation is only the beginning. From that point in Thunder Bay we have to get the grain to a down river port.

Now comes the water transportation system in our country, the St. Lawrence Seaway. The ships are owned by a variety of companies in this country, mostly Canadian: CSL and Patterson. They come in and load so many tonnes from the elevators on to these ships which go to Sault Ste. Marie, Toronto, through the Welland Canal, and on to what we call the down river ports in Quebec which take on this grain.

The grain is taken off the ships, put into another elevator, stored again, waiting for the offshore purchasers to take it back to their countries. So the grain, again, is sitting there and must be shipped once more on large ships which come here from Europe.

I can see my time is drawing to a close. It is important that we realize the intricacies of the growing and transporting of grain in this country, and that during the whole process, which takes several months from the time it is grown to the time it is completed, the farmer is waiting to be paid.

All this bill is trying to do is take away the money he would normally receive, this $27 million, which could finance the grain in this country waiting for shipment or sale to other parts of the country. I suggest to you this government should withdraw this bill and give the agricultural producers, the farmers of this country, an opportunity and a chance.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I appreciate the opportunity to speak for a few minutes on this bill. It is an important bill as far as many parts of the country are concerned. We have had a tendency to speak about western Canadian grain generally.

I want to point out that it has a much, much greater impact across the country than that. In the last little while in Prince Edward Island, the grain growers, vegetable growers, marketing boards, and tobacco growers were users of these particular advance payments.

In Ontario there were nine organizations that used this type of advance payment: Blue Water Storage, Cedar Springs Cherry Growers, the Ontario Soybean Growers, the Ontario Flue-cured Tobacco Growers, the Ontario Corn Producers Association, the Ontario Potato Growers Marketing Board, Timiskaming Grain Growers, Georgian Triangle Apples Limited, and the St. Lawrence Valley Fruit Growers Association. These were groups of producers which used this particular advance payment structure.

• (1820)

The Saskatchewan Wheat Pool, the Saskatchewan Beekeepers Association and the Saskatchewan Vegetable Growers also used advance payments; in Manitoba, the Honey Marketing Board and the Canola Growers; in British Columbia, the B.C. Tree Fruits Limited, B.C. Coast Vegetables, the Okanagan Fruit Producers and Shippers Association, the Island Vegetable Co-op Association, and the Interior Vegetable Agency; in Alberta, the Alberta Fresh Vegetable Marketing Board, the Potato Commission, the Alberta Honey Producers, the Wheat Pool, and the seed producers. These are some of the organizations which made use of this particular bill.

There is also the bill which deals with wheat board grains, now only barley and wheat. In the past it was barley, wheat and oats.

It is not a limited group that we are talking about here. It is farmers right across the country. What we are seeing here to some extent is the final stage of the abandoning of our old friend from Prince Albert, John Diefenbaker. As a member who represented the same constituency as Mr. Diefenbaker, I recognize the contribution that he made to agriculture and to Canada.

I recognize also, sometimes to my chagrin, the contribution that he made to the Conservative Party in this country. For years he kept that party going in the west. When they found themselves in the wilderness he was always there. Besides that, he made a contribution to this Parliament. He was one of the strongest opponents of closure. In fact, he won his first national election as Prime Minister using closure of the TransCanada PipeLines bill as the basis for his cross country campaign.

What we are seeing here is the Conservative party abandoning John Diefenbaker, what he stood for, what this Parliament stood for when he was in it, and what he stood for as far as the Conservative party was concerned. He kept the party alive and he had a real concern for farmers. In 1957 he was the person who brought into this House the Advance Payments for Prairie Grains Act. Now we have the Conservative party denying in every phase of its operations the important contribution that John Diefenbaker made to this House, to Canada, and in this particular bill to the farmers of Canada.

In 1977 the second bill was put into place because it was recognized that there was a need for it. The two bills have somewhat the same reason for being, but slightly different.

The Western Prairie Grains Advance Payments Act was for the marketing of wheat, barley and oats. It was put in place because there were problems with delivery. There were quota problems. You might have the grain in your bin, but there was no room in the elevator; there were no boxcars available to take it to market. It gave the prairie farmer the opportunity to keep that grain but still get enough money to pay his bills.

Therefore, it helped the farmer because he did not have to pay interest on the bills that he owed to the fertilizer supplier and the gas supplier in the community. But it helped those communities, too, because they were dependent upon farmers, for money from farmers. It got that money to those communities when they needed it.

One would think that this government is almost deliberately moving to eliminate what is rural Canada. For instance, the last speaker mentioned post offices and the elimination of transportation. If you look back at the introduction of this particular bill by the Minister of Agriculture and look at what he said, not even very indirectly, it suggests that the time has come to abandon the farmers, that they have to look at competing in a situation where they are finding themselves less and less able to compete.

What this government is going to do is pull the plug and say: "You're on your own. You pay for your insurance. If you can't pay for it, it's too bad." That kind of approach is harming the confidence of the farmers in the west and all across Canada. How much money is really involved? It is $27 million. Your friend, Mr. Speaker, Peter Pocklington, took more out of Alberta in one loan than that total amount.

Yesterday, the Auditor General tabled in this House a report that suggested there was one little loophole in the collecting of the federal sales tax that costs this government $350 million a year. This $27 million is 7.5 per cent of that loss which the government allows to slip away without any effort to collect. We are not talking about a huge amount of money. As I suggested earlier, we have two bills being amended here: The Prairie Grain Ad-

vance Payments Act and the Advance Payments for Crops Act.

The Advance Payments Act is for those crops which are sold on the open market. There is no pooling attempt. The price is what the farmer or the producer or the retailer can get when he sells it. The tendency for prices to go down when there is a lot of them on the market is recognized by everyone. If you dump all of the crops on to the market at the beginning of the year because farmers are short of money and need that money, the prices go down.

I grew up on the prairies when there was no Canadian Wheat Board. My father used to do his best to hang on to his wheat or his grain in the fall because it might be 75 cents or $1 a bushel in the fall, but if he could hold it until spring it would be $2 a bushel and twice as much could be made on it. The Wheat Board eliminated that for the grain growers on the prairies, but we still have a lot of farmers growing products under that basis. The Advance Payments Act allowed the evening out of that, because if all the corn from Ontario arrives on the market at the same time in the fall, the price would go down and that is what the farmer would get.

If farmers receive some advance payment, the price of the corn stays up because there is not too much of it out there. As it goes on to the market gradually over the season it keeps its price. Those people buying corn know that if the price is too low they are not going to get any corn because the advance payment is there to provide the farmer with the cash when he needs it.

Corn Growers of Ontario tells us that none of them or very few of them—only those who need the money for other reasons—will actually use the advance payments process if they have to pay interest on it. If you are betting that the price of corn will go up and have to pay 12 or 15 per cent interest on the money that you borrow, you are betting that the price will go up more than the 15 per cent that you will have to pay on that corn. Very few farmers are willing to take that chance.

• (1830)

In order to pay their bills and to assist their communities in surviving, they are going to put their grain on the market as quickly as they can, force the price down and take what they can get, with the net result that in the long run they will be making less money. As my colleague, the member for Mackenzie pointed out, it is quite possible that the government will have to support them under the other programs which the government has in place.

We have been told by the member for Athabasca that this bill is not being passed because of the New Democrats and the Liberals. He should recognize, as I think most of the people of the country do, that there is a bill in place. The legislation is in place. If there is the political will, as he suggests there is, all the government has to do is use the legislation and it can have that money to the farmers next week. There are some farmers who need it. There are not many who want it under the circumstances which are being suggested by the government. There are very few who need the $250,000.

The statistics show that very few of the farmers took the maximum that was available to them under the present act. The present act allowed them $30,000 if they were single farmers, $60,000 if there were two people involved, and $90,000 as a maximum in a corporation or a triple partnership.

Mr. Shields: Now they will get $250,000 if they need it.

Mr. Hovdebo: So if they need $250,000 and they have to pay interest on it why would they do it, particularly if they are doing it because the prices—

An Hon. Member: Because they are getting it cheaper than they can get it anywhere else.

Mr. Hovdebo: That is exactly the reason. The member for Athabasca is reinforcing my argument. If you have to pay interest on it and you are taking that loan out because you are waiting for the price to go up, you are betting. You pay 15 per cent for that loan and the price only goes up 10 per cent, what have you gained?

An Hon. Member: Nothing.

Mr. Hovdebo: Nothing at all. My friend from Athabasca suggested that this bill was here in June. It was here in June. It was so bad that nobody wanted it. The government brought it in on June 25, the last day that we sat in this House and wanted it all passed in one day.

Those of us who saw the bill thought that it was so ridiculous that we laughed. The government saw it was ridiculous too and removed it. The bill came back in the

fall only slightly changed. It came back the second time in September as a different bill.

The Acting Speaker (Mr. Paproski): A point of order. The hon. member for Athabasca.

Mr. Shields: Mr. Speaker, my hon. friend said that the farmers need the advance payments. They are going to get them. That is why we put closure through.

The Acting Speaker (Mr. Paproski): That is not a point of order. The hon. member has the floor in debate.

Mr. Hovdebo: The bill was brought before us in September, but it was so bad and had so many flaws in it that the government withdrew it. That was Bill C-32. It withdrew that in the House on October 3.

A few days ago, we reached the eighth hour of debate. This bill upon which the government has brought closure has had maybe eight hours and 10 minutes of debate. The government says that is enough debate. We have had a little more than two days of debate, and it is quite out of line with the tradition of this House to bring in closure at that point. It implies the government is afraid that if the farmers know too much about the bill that they will not accept it and the government might lose some of the support of the farmers.

Traditionally the Conservatives have had a lot of support in the rural areas, but they are losing it because they are bringing in ill conceived and underdeveloped legislation such as this.

The reason the government gave us for bringing this bill in and putting interest on the advances to farmers had nothing to do with the value to the farmers, it was more to do with deficit reduction.

Who caused the inflation in this country that led to this problem? It certainly was not the farmers. The farmers got a billion dollars of help in the last couple of years. Some will say that they are getting too much. But that has been returned to the country many times over by the farmers, even in these last two years, because the total production of the farm community has been increasing, even as they have been making less money. What is a fair share for the farmers to pay? What we are asking the farmers to do is add to a debt that they already have.

The farmers are already in trouble with debt. The last thing farmers need is more debt. This is what the farmers are being asked to do in this particular case. They are being asked to take an advance, an interest bearing debt, to increase the debt. The irony is that the farmers who are going to possibly borrow the $250,000 are the ones who are so deperately badly off now that nobody will give them money in any other way. That is the only reason why the $250,000 is there, Mr. Speaker.

As I said before, every group of farmers across the country has used, in some way, this advance payment structure. We should be doing what we can to keep that kind of structure in place so that the farmers can make the market work better and work for them. If you force them to take less for their product, many more farmers will have to leave the industry. We should be trying to keep them there, not eliminating them. We have no intention of supporting this bill under its present structure.

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, I too appreciate the opportunity to address this bill. We have heard today how this amending legislation does not change the spirit and intent of the two acts, and I want to add to that.

First, as before, the Advance Payments for Crops Act will help producers store crops after harvest and spread deliveries over the entire marketing season to take advantage of stronger prices.

Second, the Prairie Grain Advance Payments Act will ease pressure on the quota delivery system and reduce congestion at local elevators.

Third, the loan guarantee components of these acts are to remain intact.

• (1840)

The federal government will continue to guarantee the principal amount advanced to the farmers under the various programs. While we are amending the advance payments act in order to remove the interest-free provisions, it has also provided us with an opportunity to enhance these acts.

As I understand it, consultations were held with the producers and their organizations throughout the summer. These consultations have now resulted in improvements contained in the bill before this House.

In order to make advances available under both acts, as soon as possible after this bill is given Royal Assent, regulations will no longer be used to establish maximum interest rates covered under the Prairie Grain Advance Payments Act. In the future the maximum interest rates to be guaranteed under the program will be determined by the Minister of Agriculture, prime or less than prime.

Under the current Prairie Grain Advance Payments Act, regulation sets the maximum rate of interest which the government will guarantee in the event a producer defaults on a loan. No such amendment is required to the Advance Payments for Crops Act since such provisions were added to the legislation in 1985. To ensure that advance payments under both acts are available as soon as possible after Bill C-36 has received Royal Assent, it is proposed that the minister also set the interest rates which are to be covered by the Canadian Wheat Board.

If we continue to rely on regulations, this would mean an undue delay on advance payments to western wheat and barley producers, many of whom are in my constituency of Wetaskiwin. These producers would be forced to wait for new regulations before they could take advantage of the program.

Since a similar change to the Advance Payments for Crops Act has proven successful, we should proceed as quickly as possible with this amendment to the Prairie Grain Advance Payments Act. Producers participating in this program, especially those of my constituency, should not face delays in receiving their advances. By removing the need for regulations, the government is ensuring that those western grain producers who have come to rely on advance payment programs can do so again and as soon as possible. I believe this can only be an enhanced benefit for my area.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I was not going to participate in this debate and I will say right at the outset without a minister of the Crown in this House, my words are falling on deaf ears. It is ministers of the Crown who have an obligation to be here. There is not a single one for the second time today. Their duty is to be in this place—

The Acting Speaker (Mr. Paproski): This is the second time I have had to mention to the member that he should not mention who is or who is not in the Chamber. I do not wish to discuss that any more. I would hope the hon. member would take heed and follow the decorum of this House.

Mr. Milliken: Mr. Speaker, I hope ministers of the Crown would follow the decorum of this House and observe the convention that one at least out of 38 ministers be in this Chamber when a government bill is under discussion. They are the ones who have invoked closure today. They are the ones who control the agenda of this House. They are the ones who decide which bills are going to be discussed here and they have an obligation to be here and to be answerable to this House.

We have a responsible government. This is not a presidential system where members can do what they want. These ministers are responsible to this House of Commons. They are members of this House and they have an obligation, at least one of them, to be here at all times.

I realize His Honour does not like my reference to this, but I think it is an important principle of parliamentary democracy. I stress it for that reason.

I want to say also—

Mr. Shields: On a point of order, Mr. Speaker. I invite my hon. friend to walk into the lobby where the Minister of Grains and Oilseeds is sitting, having something to eat while watching the monitors and listening to everything that is being said. The hon. member's people are sitting on the other side of the House watching the monitors to see what is going on.

The Acting Speaker (Mr. Paproski): The hon. member realizes what is happening here. As far as members being in the House and out of the House, there are installed televisions in the lobbies which members can see. As an extra hour of debate goes through the dinner hour, I am sure that the hon. member will be heard in the lobby. The hon. member for Kingston and the Islands has the floor.

Mr. Milliken: Mr. Speaker, if I wanted to speak to the Minister in the lobby, I would go to the lobby and speak to the minister. I am here addressing this bill in a speech in the Parliament of Canada and I have a right to make my speech here, and the minister has an obligation to be here to listen to this speech.

In any event, I will proceed with what I was going to say. I want to also refer to the fact that I am sorry that the Minister of Justice is unable to be here tonight. I know that he cannot be. I am not suggesting that he is away for anything other than his responsibilities in office. I am sorry he cannot be here because I am going to quote from some of his speeches. I think he would enjoy

hearing himself quoted. I am sorry that he and the Deputy Prime Minister, who I am also going to quote from extensively, are unable to be present to hear those things. I realize they are busy. They have their hands on the levers of power. They are busy working away for the people of Canada doing their best. But I am going to read from their speeches, and I know that hon. members opposite are going to enjoy hearing the words of wisdom from these men of the present government, words from the past.

Let us look at the record of the proceedings on this bill because here we have closure moved on this bill. Yesterday we had closure in a different form on another bill. Now we have it again today on this bill. Let us look at the debating record on this particular item. The bill was introduced for first reading on June 16, and we all know what happened to that one. The bill was so badly botched up because the government did not do proper planning and proper organization that it had to withdraw that one. So the government got our unanimous agreement to withdraw a dreadful bill and substitute another one which is almost as bad.

The bill was debated in this House in the afternoon only of Tuesday, October 3, for 1 hour and 53 minutes. It was debated again on Wednesday, October 4 for the afternoon, because we only sit in the afternoons on Wednesdays, for 2 hours and 6 minutes. It was debated on Thursday, October 5, for 3 hours and 24 minutes. Then it was debated again on Friday, October 20 for 1 hour and 47 minutes, for a total of 9 hours and 10 minutes. That is the total amount of debate on the bill until today.

We have closure because 9 hours and 10 minutes is too much time on one bill, according to this government. Closure is moved because it does not want to hear the bad news any more. The government wants to shut us up. It wants to close Parliament down and get us out of here.

Mr. Nicholson: We want to get the farmers paid.

Mr. Milliken: You do not want to get the farmers paid.

The hon. member knows the farmers could be paid under the existing legislation.

Mr. Kempling: You're a windbag.

Mr. Milliken: They would be paid a lot more than they are going to get paid under this legislation. But this government is so tight-fisted it will not pay the farmers under the existing legislation. It is trying to blackmail the farmers of Canada by saying: "Pass this bill or you do not get paid at all".

Mr. Nicholson: Rubbish.

Mr. Milliken: Let us look at the record of closure that has gone on in this House in the past. This is the eighth time closure has been used in this Parliament by this government, more than any other government ever in Canadian history, more than any other Parliament in Canadian history.

Mr. Kempling: Who put closure on the Constitution.

Mr. Milliken: The hon. member for Burlington better watch his blood pressure.

Let us look at the House of Commons Debates. On October 23, 1980, what was being discussed? The Constitution. We all know that that debate raged for months and months and months. We had a closure motion moved by the then Government House Leader, the Hon. Yvon Pinard.

Mr. Kempling: Where is he now?

Mr. Milliken: He has been elevated to the bench, I should inform the hon. member for Burlington. On October 23 at page 4027 of *Hansard* the now Deputy Prime Minister, the hon. member for Vegreville, had these words to say. I hope the hon. member for Burlington will listen to these words. He said:

> Mr. Speaker, I participate in this debate with a degree of sadness and regret having regard to the fact that we have just had thrust upon this House one of the most repugnant and most destructive devices ever perpetrated on the democratic process.

What was he talking about?

Mr. Kempling: Talking about the Constitution.

Mr. Milliken: Closure. He was talking about closure. If the hon. member would take the time to read the speech, he would know this is all about closure. If the hon. member does not believe me, listen to this. He went on:

> The government's action is the result of a move that is ruthless, arrogant, and, I believe, cowardly. Parliament is now succumbing, as the hon. member for Provencher (Mr. Epp) has said, to the tyranny of the majority.

That is the way he was talking about closure then. He sits here deadly silent now. He does not dare discuss this issue now because he knows what he said then was right. He does not want the words quoted.

Let us go to a subsequent speech. October 26, 1983, what happened on that day? The House was discussing Bill C-155, an act to facilitate the transportation, shipping and handling of western grain. It was the Crow rate debate. Let us look at the record of what happened on that debate. Let me read from the speech of the hon. member for Winnipeg South Centre on that occasion. He was the Minister of Transport and he was not proposing the Draconian closure rule that we are debating today, he was discussing a time allocation order, the one we had yesterday, which is another form of closure.

• (1850)

He said this bill was introduced in Parliament on second reading and over 97 speakers had an opportunity to express their point of view. Then there were three solid months of committee hearings at which time over 200 representations were heard. That is why he was introducing closure. This debate had dragged on and on and on, and they were on the report stage at this point as I recall.

Let me look at the record. The House of Commons spent nine days at second reading stage of that bill. Then the matter was studied in committee for three months. There were 15 days spent at report stage and they finally brought a time allocation order and did third reading in two days.

Mr. Kempling: So What?

Mr. Milliken: We have only had four days debate on this bill, not nine days, and here we have closure being clopped on at second reading already. It is a shocking example. The hon. member for Burlington should be ashamed to be supporting a government that is so arrogant and so willing to trample on the rights of Parliament.

Here is what the hon. member for Vegreville had to say on that occasion in 1983. He stated: "I really regret what the minister has done today". I assume these were not crocodile tears. He continues:

> The position of this party has been one of constructive criticism,

months and months of it, but that did not matter:

> We have offered alternatives, tried to improve the Bill and seek out reasonable solutions. But the minister is so skittish about his own bill that he has to move closure. He will not allow the alternatives to be debated.

Nine days of debate at second reading, three months in committee with over 200 witnesses, 15 days in the report stage in the House and here is the Deputy Prime Minister saying the minister would not allow the alternatives to be debated. What would he say today if he were here discussing this bill in this debate. He would say we have not had an opportunity to discuss this thing. He would say our rights are being trampled on, if he followed his example. But oh, no, there is more. On page 28353 of *Hansard* he states:

> Here we have an opportunity to debate some of the positive alternatives advanced by our Party, and that is being denied.

What about us? What about the denial of our rights as members of Parliament to discuss this bill after 4 days, not 24, which is what the hon. member for Vegreville had in 1983. He continues:

> Rather than working toward a solution, the Government decided to use force.

What is the government doing here? Raw force, Mr. Speaker, for the eighth time in this Parliament. He goes on:

> Members opposite suggest they are acting in the best interest of the country because they are being stubborn.

That is the kind of language he was using. On the same page. He states:

> —we in our Party have tried to work toward a positive and satisfactory solution. We have opposed and we have proposed. We have offered alternatives. We have listened to the evidence before the committee— But we are very saddened by the fact—

It almost makes one weep, Mr. Speaker.

> —that we have not been able to debate the alternative proposals we believe would go a long way toward improving this Bill.

To debate the alternative proposals, my foot. He had 24 days to debate the alternative proposals; 97 members spoke on second reading alone, and here is the Deputy Prime Minister shedding these crocodile tears, spouting this stuff and nonsense about not having an opportunity to debate. Why is he not up here saying we have not had a fair opportunity today if he believed that then? We have had only four days at second reading on this bill and

one of them was a half day. We have had nine hours of debate on this bill and here closure is being moved again.

Mr. Kempling: That is all it needs.

Mr. Milliken: I say it is an absolute disgrace.

I have more because we have the Minister of Justice to deal with now. I am sure if he is watching this on television he must be getting very nervous because in a debate in 1984 on a time allocation motion on a Borrowing Authority Bill, the Minister of Justice decided to get into the act and he made a remark about closure. It is a very short remark but I think it is very instructive. At page 2518 of *Hansard* March 28, 1984 he stated:

> But closure is the problem of the Liberal Party.

That is what the Minister of Justice said. The man who has introduced closure more than any other House Leader ever in Canada had the nerve to say in 1984 that closure was the problem of the Liberal Party.

If it was the problem of the Liberal Party, it is the problem of the Tory party today because they have shamefully abused the trust that was placed in them by the Canadian people last November by applying closure at every stage of every bill in this House. It is an indictment I would be ashamed of were I sitting on the other side of the House.

Let us look at the record on that bill when the Minister of Justice had the unmitigated gall to make that statement. Bill C-21 had been debated—let us listen to the dates, the hon. member for Burlington might find this interesting—on March 7, March 8, March 13, March 14, March 15, March 20, March 21, March 27, March 28. Those are the dates it was debated on second reading. It was at that point they brought in this time allocation order to get the bill through.

Have we had debate of that magnitude on this bill? No.

Mr. Nicholson: You have had plenty of debate. Why don't you want to help the farmers of the country.

Mr. Milliken: No. Have we had it on any of the bills on which closure has been moved in this House? No. We have not. Closure has been rammed down our throats at every turn by this government and it is a shocking indictment.

Here is another quote by the Minister of Justice, as he now is. He said on page 2519 of t*Hansard*o of the same date:

> "It is very unfortunate that the Liberal Party is cutting off debate on this Bill and, naturally, our Party will be voting against the motion to cut debate.

Here we have this absolute two-faced nonsense from this minister who, after all those days of debate, eight days of debate, now says that after four days we have had too much. Three and a half, as a matter of fact. It is quite unsatisfactory.

Let me turn to the bill. This bill, as the honourable member for Halifax says, is pernicious. When the government could be paying this money out to the farmers today, it is sitting back waiting for this bill to pass and saying the reason the farmers do not have it is because of us. It has worked itself into a corner.

Mr. Nicholson: You are against the farmers.

Mr. Milliken: The hon. member for Niagara Falls is here and he seems to think the farmers are not with us. Again, if I was the Deputy Prime Minister, I would be quaking in my boots with the letters we are getting on these things.

Let me read this letter into the record. It comes from the President of the Manitoba Canola Growers Association. The Minister of State for Grains and Oilseeds is very fond of telling us how he has these people in his pocket, that they support this legislation, that they think it is the greatest thing since sliced bread. Let us hear what they think about this.

Let me read this letter dated October 20 from the President of the Manitoba Granola Growers Association and see what they think about this legislation. The letter is addressed to my colleague, the agriculture critic, the hon. member for Algoma. It states:

> We would like to encourage your continued support for reinstatement of the interest-free provision for the cash advance programs. Without the reinstatement of said provision, the program holds little benefit for Canadian farmers.

Mr. Shields: Mr. Speaker, I rise on a point of order. I am sure my hon. friend would like to keep the record

straight. Granola you buy in grocery stores, granola bars and so on. I think he is referring to canola growers.

Mr. Kempling: He has no idea.

Mr. Milliken: Mr. Speaker, I apologize. Of course I meant canola. I thank the hon. member for Athabasca for his very helpful intervention. I am delighted to receive help from the other side. Let me continue reading the letter:

> With respect to oilseeds, the interest-free cash advance has contributed to orderly delivery, by removing the pressure on producers to sell at harvest, a time when prices tend to trend down.
>
> Further, one of our Board members happens to be the person responsible for administering the Canola Cash Advance Program offered under the Prairie Canola Growers Council. His calculations show that with the fee which must be charged to cover the costs of administering the program the true cost of the advance would be prime plus at least one or two percent. Because the administration fee is a fixed amount no matter the size of the loan, the shorter the period for which the loan is held and the smaller the amount borrowed, the higher the actual interest rate becomes, making it more economical for farmers under those circumstances to borrow directly from a lending institution. As a result, the cash advance loses all usefulness.

In other words, this man is saying this bill is absolutely useless for these growers.

• (1900)

I will continue reading the letter:

> While our organization's interest is solely canola, none of our members grow only canola. Consequently, I feel it reasonable to also make a comment on the advance program for grains marketed by the Canadian Wheat Board. I think it only fair, that as long as Canadian farmers must operate under a system which requires them to hold grain in on-farm storage, that we should be reimbursed for that storage. The cash advance program as it has been in the past at least provided some consideration in that direction.
>
> Would you please let our office know when Bill C-36 goes to committee as we are interested in submitting a brief.

They are opposed to this bill, they have sense. The letter is signed by Mr. Max Polon, President of the Manitoba Canola Growers Association. These people realize what a disaster this bill is for the farming community in Canada.

I have more. An article appeared in *The Kingston Whig-Standard* just today. One of my constituents, who happens to be the president of the Ontario Federation of Agriculture, Mrs. Brigid Pyke, had this to say, according to the article:

> Farmers will soon learn whether the Canada-U.S. free trade agreement has killed the small family farm in Canada, says Brigid Pyke, President of the Ontario Federation of Agriculture. Mrs. Pyke says that weak bargaining by Canada during the free trade negotiations allowed the U.S. control of farm products coming into its country, but no such power for Canada.

I could go on to read the rest of the article, but the message is clear. This government and its supporters who are bellowing away from their seats clearly have it in their minds that they are doing the farmers a favour by this bill, but every farm organization in Canada says this is not the kind of favour they need. With friends like them, they say to us, who needs enemies.

This is taking money away from farmers. Government members admit it. They stand up and say, "We are awfully sorry to be taking this money away,"—and they shed crocodile tears at the prospect—but they say, "We have to do it to balance the budget." Having run up the national debt to double what it was when the Conservatives took office, they now feel that it has become an urgent priority. I can understand why they think so. If I had botched the economy as badly as the Minister of Finance has botched it I would be running around talking about the deficit all the time too, and that is what he does. He has managed to work the hon. member for Burlington into a lather about it, obviously, because he sits there and makes comments from his seat. I invite him to participate in this debate. I do not think he has made a speech on this bill yet. I would be glad to hear from him.

As I said at the outset, and I will terminate my comments in a very short time, I have to say how sorry I am to have to participate in this debate because not being a farmer and not knowing a great deal about farming, I will admit to some ignorance on that subject. But I know when people are being taken, I know when people are being had, and that is what is being done by this government, by this bill, and I am not going to sit idly by when closure is invoked and stay silent while the farmers get shafted by this government.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am very pleased to speak this evening on this particular debate, and I am sure that my colleagues across are all looking forward to my contribution, as you are Mr. Speaker.

I see, of course, that some Conservative members perhaps thought, mistakenly of course, that this debate would finish early, that they could go home early tonight and that the Opposition would allow the government to run roughshod over the rights of Canadian farmers. Well, not so, not so. We in the Opposition stand up for the Canadian farmers. We want to help them, and we are against the government across the way and what it is trying to do.

I have here a newsletter of the Ontario Corn Producers' Association, an organization from my province of Ontario. There are a large number of corn producers, as most hon. members will know, in the great riding of Glengarry—Prescott—Russell, as there are in the riding of Stormont—Dundas, so ably represented by my colleague sitting near me here.

I want to read what the corn producers were saying in the September newsletter. They spoke first of the Ontario Minister of Agriculture. Ontario got a brand new Minister of Agriculture, a Liberal Minister of Agriculture, and here is what was said about this Liberal Minister of Agriculture:

> OCPA welcomes David Ramsay to the position of Minister of Agriculture and Food in Ontario. Mr. Ramsay won a lot of friends with his openness and honesty in answering questions following his luncheon speech at our semi-annual convention on September 6 at the Waterloo Inn—
>
> We also express our thanks to Jack Riddell for his 4-year span as ag. minister in the province. While Jack was well-known for his "devil's advocate" approach in examining requests and advice provided by producer organizations, we always found him to be a good listener, generally receptive to well-researched proposals, and totally dedicated to the well-being of rural Ontario.

You will notice, Mr. Speaker, being the non-partisan person you are, that those farmers have nothing but praise for the two Liberal ministers of agriculture in Ontario, Mr. Riddell, the predecessor, and Mr. Ramsay, the new minister. Those are the comments that these people had to make.

Let me read a little bit further where these people speak about advance payments. They say the following:

> There is little to add to our comments of previous newsletters, and to the announcement that appears in this magazine, other than the statement made recently by a special assistant to the Agriculture Minister Don Mazankowski that no program will be offered until the Act is amended (to eliminate the interest-free provision) and new regulations are completed. At present, it remains OCPA policy to oppose the changes (at least until such time as comparable changes are made in the U.S. Farm Bill), as we believe that any benefit conferred via an interest-bearing program will be eliminated via the myriad of administrative procedures (and costs borne by producers) which this program entails. It's an unfortunate situation because there are signs, according to some analysts, that storage after harvest could be beneficial during the coming crop marketing year.

They are talking about the two provincial Liberal ministers of agriculture, and they say what a fine job they are doing. They only mention in one paragraph the federal government and condemn the fact that the program that they announced in Bill C-36 is lousy. That is the difference. It is time that the members across the way started listening to that. This is not the Liberal policy book. This is the Ontario Corn Producers' newsletter from which I have been reading.

The member across the way is from Ontario and perhaps there is not much corn grown in his constituency, but whether there is or is not, the consumers of Ontario are nevertheless, in the long run, paying directly or indirectly. Of course, damage to the farmers of Ontario and to Canadian farmers generally is damage to the Canadian consumer because in the long run, the loss of a good agricultural economy is not just a loss to the farmers but to society as a whole.

I have here a letter that was written to the Minister of Agriculture dated June 5, 1989. Perhaps some of my colleagues referred to this earlier tonight, but it bears repeating. It states:

> The Ontario Corn Producers' Association and the Ontario Soybean Growers Marketing Board are opposed to the announcement contained in the April budget that calls for the elimination of the interest free provision of the Advance Payments for Crops Act.

They are opposed to it. We are hearing from the Minister of Agriculture and from his Associate Minister through planted questions that come from the back row of the Conservative side that somehow people are in favour of this bill. Of course we are in favour of advance payments, but we are not in favour of a bill that will remove the interest-free provisions. That is what we are against. Planting questions through back-benchers will not solve this. What will solve this is a realization by the government that this measure it is trying to impose upon the House tonight using all kinds of methods to stifle debate will not work.

• (1910)

Oh, yes, sooner or later when we run out of speakers, the government will get its bill, but it will not get the support and approval of Canadians. It will not get the support and approval of farmers across Canada. Yes, a few trained seals in the back row will applaud when the Minister of Agriculture stands to vote, and the Minister of Agriculture will pretend that that is synonymous with the approval of the Canadian people, but he is wrong. He is wrong if that is what he thinks.

I say to those government members across the way that there is still time for them to go out to the lobby to shake up the Minister of Agriculture, to tell him to withdraw the bill, to start over, to do it properly, and to listen to the great recommendations made by my honourable and very distinguished colleague, the hon. member for Lambton—Middlesex, who at one time was also a Minister of Agriculture and a great one at that, and to listen to the recommendations of my colleague from Algoma, who similarly has a lot of experience in representing farmers as the opposition agriculture critic for many years.

Mr. Boyer: Do the corn producers refer to him too in their newsletter?

Mr. Boudria: The member across the way asked if the corn producers, in their newsletter, referred to one opposition member versus another. The important thing is that the corn producers refer to the minister and to his policies and they say that the minister's policies are lousy. That is what is important for my colleague across the way to remember. What is so unfortunate is that the members across the way, in spite of the fact that we have repeated it over and over again, fail to understand.

I know you understand, Mr. Speaker, because you are a non-partisan person, and you understand that fully. But the members across the way are not nearly as objective as you and I. They do not understand nearly as well. Perhaps by stating and restating it, we will convince them of the fact that this bill as presently drafted is not in the best interests of Canadian farmers.

[*Translation*]

Mr. Speaker, in my riding there are a number of corn growers, a number of farmers, as you know, and I have mentioned this many times in the House of Commons. Our farmers are sick and tired of hearing about cuts, cuts and more cuts every time the budget comes around, cuts that always have a disastrous impact on the agricultural sector, cuts that are always imposed by a Minister of Finance who seems totally impervious to the fact that Canadian agriculture is suffering, a Minister who seems totally indifferent to the fact that our Canadian farmers will find it increasingly hard to cope as a result of so-called free trade. Mr. Speaker, all I can say is that the Minister of Finance and all his fellow members opposite better start listening to the Official Opposition and to Canadian farmers. They know what they need. They know that during the past few years, the present Government has imposed cutbacks that are entirely unreasonable, considering the problems I mentioned earlier.

In concluding, Mr. Speaker, I want to make a last appeal to hon. members opposite, and ask them once again to forget the Minister of Finance, to forget the fact that in 15 or 20 minutes they will be thanked for voting the right way. I ask them to consider something far more important, their own constituents, and above all, I ask them to consider Canada's producers and farmers this evening. It is high time we started thinking about our farmers and forgot the bankers.

[*English*]

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on the amendment standing in the name of the hon. member for Regina—Wascana.

Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the amendment will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the amendment, which was agreed to on the following division:

(*Division No. 117*)

YEAS

Members

Anderson	Atkinson
Beatty	Bird
Bjornson	Blackburn (Jonquière)
Blenkarn	Bouchard (Roberval)
Boyer	Brightwell
Cadieux	Campbell (Vancouver Centre)
Cardiff	Champagne (Champlain)
Chartrand	Cole
Côté	Crosby (Halifax West)
DeBlois	Dobbie
Domm	Dorin
Duplessis	Edwards
Epp	Fee
Feltham	Ferland
Fontaine	Friesen
Gérin	Gibeau
Greene	Gustafson
Harvey (Chicoutimi)	Hawkes
Hogue	Holtmann
Horner	Horning
Jacques	Johnson
Jourdenais	Kempling
Kilgour (Edmonton Southeast)	Koury
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Littlechild	Loiselle
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Martin (Lincoln)
Mayer	McDermid
McDougall (St. Paul's)	McLean
Merrithew	Monteith
Moore	Nicholson
Oberle	O'Kurley
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Robitaille	St-Julien
Schneider	Shields
Sparrow	Thompson
Thorkelson	Turner (Halton—Peel)
Van de Walle	Vien
White	Wilson (Etobicoke Centre)
Winegard	Worthy—86

NAYS

Members

Allmand	Althouse
Anawak	Assad
Axworthy (Saskatoon—Clark's Crossing)	Bélair
Black	Blondin
Boudria	Brewin
Callbeck	Catterall
Clancy	Comuzzi
Crawford	Dingwall
Dionne	Ferguson
Fisher	Foster
Gray (Windsor West)	Guarnieri
Harvey (Edmonton East)	Heap
Hopkins	Hovdebo
Karpoff	Keyes
Kilger (Stormont—Dundas)	Kristiansen
Lee	MacAulay
Manley	Milliken
Mitchell	Pagtakhan
Rocheleau	Simmons
Speller	Stupich
Taylor	Vanclief
Wappel	Wood
Young (Gloucester)—45	

• (1950)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

Mr. Hawkes: Mr. Speaker, I wonder if there might be a predisposition to apply the previous vote to the current vote.

Mr. Boudria: Mr. Speaker, I am prepared to consider the suggestion of the government Whip.

I think, if you were to ask the House for unanimous consent, we could dispense with the taking of the vote and apply the result of the previous one.

Ms. Mitchell: Mr. Speaker, on behalf of my hon. colleagues we would support that.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 118*)

YEAS

Members

Anderson	Atkinson
Beatty	Bird
Bjornson	Blackburn (Jonquière)
Blenkarn	Bouchard (Roberval)
Boyer	Brightwell
Cadieux	Campbell (Vancouver Centre)

Cardiff	Champagne (Champlain)
Chartrand	Cole
Côté	Crosby (Halifax West)
DeBlois	Dobbie
Domm	Dorin
Duplessis	Edwards
Epp	Fee
Feltham	Ferland
Fontaine	Friesen
Gérin	Gibeau
Greene	Gustafson
Harvey (Chicoutimi)	Hawkes
Hogue	Holtmann
Horner	Horning
Jacques	Johnson
Jourdenais	Kempling
Kilgour (Edmonton Southeast)	Koury
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Littlechild	Loiselle
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Martin (Lincoln)
Mayer	McDermid
McDougall (St. Paul's)	McLean
Merrithew	Monteith
Moore	Nicholson
Oberle	O'Kurley
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Robitaille	St-Julien
Schneider	Shields
Sparrow	Thompson
Thorkelson	Turner (Halton—Peel)
Van de Walle	Vien
White	Wilson (Etobicoke Centre)
Winegard	Worthy—86

NAYS

Members

Allmand	Althouse
Anawak	Assad
Axworthy (Saskatoon—Clark's Crossing)	Bélair
Black	Blondin
Boudria	Brewin
Callbeck	Catterall
Clancy	Comuzzi
Crawford	Dingwall
Dionne	Ferguson
Fisher	Foster
Gray (Windsor West)	Guarnieri
Harvey (Edmonton East)	Heap
Hopkins	Hovdebo
Karpoff	Keyes
Kilger (Stormont—Dundas)	Kristiansen
Lee	MacAulay
Manley	Milliken
Mitchell	Pagtakhan
Rocheleau	Simmons
Speller	Stupich
Taylor	Vanclief
Wappel	Wood
Young (Gloucester)—45	

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Bill read the second time and referred to a legislative committee.

Mr. Gray (Windsor West): Mr. Speaker, I want to ask the representative of the government House leader to tell us what the business of the House will be for tomorrow and hopefully beyond that.

Mr. Hawkes: Mr. Speaker, the government House leader anticipated being here for a 1 a.m. vote and bringing the information on the business of the House with him on that occasion.

The surprise ending of the debate and the quickness of the vote make it clear that he is not here with us and that that information is with him. We will share it will all members of the House as quickly as possible upon his arrival. The House will start at ten o'clock.

Mr. Gray (Windsor West): Mr. Speaker, while I appreciate the difficult position the government Whip finds himself in, I do not think it says much for the government's respect for Parliament not to be able at this time to say what business the government intends to call.

I would suggest that if government members would like to stay here until one o'clock, we could easily arrange it. I hope the government will realize that it is not only showing disrespect for this House but for the parliamentary process not to be able to say what the business is. I hope the Canadian people will realize how incapable the government is of managing the business of the House.

The Acting Speaker (Mr. Paproski): It being 7.57 p.m., this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 7.58 p.m.

HOUSE OF COMMONS

Friday, October 27, 1989

The House met at 10 a.m.

Prayers

[*English*]

BUSINESS OF THE HOUSE

Mr. Boudria: Mr. Speaker, I want to ask the government if it would indicate to us the business of the House for the next few days so that we are not stuck in a predicament that we were last night when no representative of the government was in a position to tell the House what bills were to be debated this morning. That situation makes it very difficult for the House to function.

• (1010)

I would like to ask the government House leader if we are to assume that Monday and Tuesday will be opposition days, and what business he proposes for next Wednesday.

Mr. Lewis: Mr. Speaker, as I indicated yesterday at three o'clock, we were trying to put together an order of business for today which would meet the convenience of the government and the opposition members so that their critics could be in attendance to speak to bills.

That is the normal course of events for a Friday when we endeavour to clean up pieces of legislation and not commence debate on major pieces. Those discussions were ongoing at the time that I rose yesterday afternoon. They included Bill C-29, the bill to establish the Department of Forestry, and Bill C-16, the bill to establish the Canadian Space Agency. There were also discussions *vis-à-vis* the bill on the Museums Corporation but they did not come to fruition.

We were successful in determining that the opposition parties were prepared to go ahead with Bill C-29, the bill to establish the Department of Forestry. We decided to back that up with Bill C-16, the legislation to establish the Canadian Space Agency. We understand that the opposition parties are prepared to go ahead with those, that their spokespersons are in attendance.

In fact, I think the spokesperson for the Liberals, I believe, was pleased that we were going ahead with the forestry bill this week because next week would have been inconvenient for him. I understand that. That is part of the way things work around here. We do not call things on Friday that are deliberately set to inconvenience people. In fact, my colleague for Burnaby—Kingsway and I might have liked to have gone ahead with Bill C-38, the bill to make amendments to the Federal Court Act, but unfortunately the Liberal critic was otherwise occupied on business of the Opposition and could not be here. I understand that. The two of us would have liked to have gone ahead but we decided not to in order—

Mr. Milliken: What a lot of nonsense.

Mr. Lewis: We did. The member for Kingston and the Islands might have preferred that we go ahead with the Federal Court Act, but I decided to wait until the critic who has spent some time on it was here to discuss it. I mean that sincerely.

The work that is being done in preparation for today's business has been done with the critics. Unfortunately, I was in Montreal last night. I had intended to come back. I understood that the opposition parties would have the horses to carry the debate to one o'clock. Unfortunately, they did not. I arrived here at 11.31 p.m., and the place was closed. Obviously, the vote took place in advance of that. That is the business for today.

Now that the question has been raised about Monday and Tuesday, I am in a position to advise the House that Monday will be an opposition day, as will Tuesday.

The business for Wednesday will await the same procedure that I have just outlined to the House, namely, that we will endeavour to see what critics are available in order to advance business and convenience

members. As soon as that is in place which may be later today or Monday, I will advise the House.

Mr. Brewin: Mr. Speaker, I am sure that the government House leader did not mean to mislead the House. George, is not available today and it was known that he would not be available today. That information, I am advised, was communicated to the minister. There was no consultation on this issue, except for our communicating to the minister, or to whomever was engaged in discussions with our side, that the critic is not here and is not going to be here for some time.

The suggestion that there has been consultation on this issue, that other bills have been deferred and this one put forward or that there was any process of consultation, is simply wrong.

I would ask the government House leader to be prepared to renegotiate the issue. It is a demonstration of the problems that have occurred because of the procedures the government has followed.

I see the government House leader getting himself agitated but I am telling the House that my instructions are that our critic has planned for some time not to be here today. This information was communicated, and he is not here today. As a result, we are not in the position we ought to be. If the government House leader wants to rely on that point for justification of the procedure which he has followed in this case, he is simply out to lunch.

If the minister has different information, I trust he will put it on the record at this stage, because it is very clear that our critic not going to be here.

Mr. Oberle: Perhaps I could enlighten my hon. friend from Victoria. It is simply not true that there were no consultations. In fact, the committee dealing with Bill C-29 established a timetable which was clearly laid out to all members. We are now three days past the timetable. There was a sense of urgency that the hon. member from Prince George—Bulkley Valley himself introduced in a debate to get this bill done so that the standing committee can get on with its business.

I personally negotiated and consulted with the House Leader of the New Democratic Party yesterday. There was a clear understanding, after consultation with the critic on forestry for the New Democratic Party, that the bill should go ahead, that the Party would be ready to introduce the amendments.

In fact, the Order Paper shows that the hon. member, Mr. Brewin, would move the amendments that normally the critic would have moved. Obviously, there had to be consultation for the hon. member to be ready to move the amendments which are listed on the Order Paper. There would have had to be consultation for the hon. member's name to appear on the Order Paper. There were consultations and we were told that the NDP was ready as was the Official Opposition to proceed with this item this morning. Certainly, we are ready, and have been for some time.

Mr. Brewin: First, motions were put in my name because we heard rumours that the government intended to proceed with this matter, but they were over our objections. There was no consultation, I repeat, on what was going to come today.

Mr. Oberle: Phone Nelson Riis.

Mr. Brewin: The minister says there was consultation in general terms about the timing. But we were told, and told up until yesterday, that today was going to be a Liberal opposition day. I am sure our colleagues in the Liberal party will confirm that until this changed it was going to be a Liberal opposition day today. So, the minister has it wrong. I hope that we can take a minute, Mr. Speaker, and see if we cannot sort this out. Our clear preference is to proceed with some other item of business today.

Mr. Boudria: Mr. Speaker, I want to respond to a few of the points raised by the Government House Leader and I want to do it quickly, because I do not want to delay the discussion on this bill.

I have to remind the government House leader that when he said that the normal course was followed, the House leader's staff only consulted with the opposition House leader's staff after the House had adjourned last night. That is not the normal way in which things are done.

In so far as the remarks of the minister to the effect that he wanted to be back here for 1 a.m., because that is when the vote would be—or something to that effect—surely the government House leader knows that is not what the rules call for.

• (1020)

The rules say that 1 a.m. is the maximum time, in other words, the latest time at which the vote can be held, but the vote could very well have been at 6.05 p.m. Because of the vigorous opposition that there was to the bill, the Opposition expressed that it did not want to go along with that particular legislative measure until some time during the evening. Of course, the government House leader fully knows that, I suspect.

* * *

PRIVILEGE

BUSINESS OF THE HOUSE

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I gave you notice earlier this morning of my intention to raise a question of privilege on the matter that has been under discussion. I hope you will bear with me, if I am not familiar with the procedures I should follow or the points I should raise.

However, I feel that my most fundamental right and responsibility as a member of Parliament in this House and, therefore, my most fundamental privilege, is to come here and represent the views of my constituents in the business of the nation. I cannot do that if I do not know until I sit in this House the business of the nation before the House for the day. I consider that my privilege, and the privilege of my constituents, to be represented in this House has been violated by the government not advising Parliament of what the business of the House for this day will be. That makes it impossible for me to prepare what I need to present in this House.

One of the bills that might have been up today was a bill of very direct concern to this region and to my constituents. I sat on the legislative committee and it is a bill on which I have amendments before the House.

Mr. Lewis: It is a bill which is not called yet.

Mrs. Catterall: It is one of the bills that was potentially on the agenda for today. I would ask for the Speaker's advice on whether or not this is a question of privilege.

SPEAKER'S RULING

Mr. Deputy Speaker: The Chair thanks the member for her comments. However, the Chair must rule that it is a point of order and not a question of privilege.

The government, by virtue of Standing Order 40(2), decides the government business in such sequence and when. For that reason, I must rule that the point raised by the hon. member for Ottawa West is not a question of privilege.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF FORESTRY

MEASURE TO ENACT

The House proceeded to the consideration of Bill C–29, an act to establish the Department of Forestry, to amend the Forestry Development and Research act and to make related amendments to other Acts, as reported (with amendments) from a legislative committee.

SPEAKER'S RULING—MOTIONS IN AMENDEMENT

Mr. Deputy Speaker: There are eight motions in amendment to the bill. I have reviewed the motions and I am now ready to make my decision known concerning the selection, grouping, and voting patterns.

[*Translation*]

Motions nos. 1, 2, 3 and 5 standing in the name of the Minister of State for Forestry are in order and will be grouped for debate with the vote on Motion no. 1 applying to Motions nos. 2, 3 and 5.

[*English*]

Motions nos. 4, 6, and 8 standing in the name of the hon. member for Victoria appear to be inserting new elements into the clauses of the bill, which, as the hon. member is aware, is contrary to our parliamentary practice. Therefore, in accordance with Beauchesne's Fifth Edition, Citation 773(1), I will not select these motions.

[*Translation*]

Motion no. 7 is acceptable and will be debated and voted upon separately.

[*English*]

MEASURE TO AMEND

Mr. Deputy Speaker: The hon. member for Victoria on a point of order.

Mr. Brewin: Mr. Speaker, I gather that it is the habit in this House to feel slightly aggrieved sometimes at the rulings of the Chair, but on the other hand, to accept them with as much grace as we can manage to muster.

I do so with respect to your ruling on Motions Nos. 4 and 6. However, with respect to Motion No. 8 I would ask the Chair to take a second look. Motion No. 8 purports to amend clause 6. Clause 6 of the bill provides that the Governor in Council may make regulations for the protection, care and management of lands comprised in forest experimental areas and lands in respect of which the minister has assumed responsibility including regulations respecting: (a) the cutting, removal and disposal of timber and so on; and (b) the protection of the flora and fauna.

The proposed amendment would add (g) the use of pesticides and pest control products, and (h) the preservation of culturally altered trees.

In other words, the first thing to be said is that the enumeration from (a) to proposed (h) merely enunciates and elaborates the general terms of the clause. It does not add anything to the clause. It merely elaborates on the definitions of the clause. There is no additional or new element added by these amendments. It clarifies and explains.

Second, the proposed enumeration includes the protection of flora and fauna. What we propose to add is the use of pesticides and pest control products and the preservation of culturally altered trees which, in turn, relates back to number (a).

I have great difficulty understanding, with due respect, the purport of the ruling. I would ask you, Mr. Speaker, if you would be prepared to take a second look at that. We do have some time because it will not be dealt with immediately. We can proceed with the other motions and you might take a moment if you would on behalf of the House to reconsider this.

The issue, of course, of pesticides and pest control products and culturally altered trees—

Mr. Deputy Speaker: I thank the member for his comments. I will have a second look at it, as the member recommends. I will now put Motions nos. 1, 2, 3 and 5 to the House for debate.

Hon. Frank Oberle (Minister of State (Forestry)) moved:

Motion No. 1.

That Bill C-29 be amended in Clause 2 in the French version by Striking out line 9 at page 1 and substituting the following therefor:

[*Translation*]

" 'développement durable' Développement qui".

Motion No. 2

—That Bill C-29 be amended in Clause 6 in the French version by striking out line 21 at page 2 and substituting the following therefor:

"*c*) s'engage à surveiller et à promouvoir l'élaboration et".

Motion No. 3

—That Bill C-29 be amended in Clause 6 in the French version by striking out lines 24 and 25 at page 2 and substituting the following therefor:

"*d*) tient compte d'un aménagement intégré et du développement durable des".

Motion No. 5

—That Bill C-29 be amended in Clause 7 by striking lines 5 to 8 at page 3 and substituting the following therefor:

"(*c*) enhance public awareness of the social, economic and environmental benefits derived from Canada's forests".

Mr. Deputy Speaker: The Hon. Parliamentary Secretary to the Minister of State for Forestry.

Mr. Michel Champagne (Parliamentary Secretary to Minister of State (Forestry)): Mr. Speaker, I will try to be brief in this debate on a bill which from the outset has met with the unanimous consent of all three parties. The purpose of these motions is, after all, to improve the quality of the French in the bill's interpretation. What we wanted to do with our amendments is simply rewrite the bill where necessary, in good French, always bearing in mind the proposal made at the outset by the parties when amendments were proposed, and we made a point of respecting the tenor of the original amendments.

Mr. Speaker, I believe these amendments respect the spirit in which the legislative committee drafted its amendments in committee and the only difference being is that they are drafted in better French, with the help of various dictionaries which enabled us to introduce an acceptable quality of French into the text of the motions. We also had discussions with people in the industry about generally accepted terms like "développement durable". Since we wanted to reflect the exact meaning

of these terms as understood by the industry, we made our changes while always, as I said earlier, respecting the original concept.

• (1030)

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I may simply add to what the previous speaker just said that, first of all, it was not nerely a matter of whether the terms used in the bill were legal, it was also a matter of promoting the proper use of French in our proceedings. As the previous speaker said, the amendments had received unanimous consent in committee. They were substantial amendments, and it was extremely important to use the right terms in order to convey a clear message and to ensure it would be clear what the Parliament of Canada intended to do in connection with our forests. I can therefore inform the House that our party will support these technical amendment, without reservations.

[*English*]

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I recognize that this particular clause deals with the language of the bill, particularly the French interpretation.

However, I think we should use this opportunity to recognize that the idea of sustainable development, whether it is expressed properly in English or French, is a key element in this particular bill. We, of course, support the motion, but the idea that sustainable development can be overlooked in any language needs to be commented on.

I live in the northern part of Saskatchewan. In my farming operation there are approximately 200 acres of forest which can be and is harvested on a continuing basis. The sustainability of that kind of industry in rural Canada is very important. Forestry is a rural industry and the people who are involved in forestry consider themselves rural people. Both provincial and federal governments must work toward sustainable development which will allow them to have a continuing livelihood based on that industry.

I recognize that this bill is an attempt to go in that direction and we appreciate that very much.

We recognize also that sustainability must, as far as forestry is concerned, be a major concern not only provincially but federally as well. This bill is a move in that direction.

This issue also needs to be looked at on a world-wide basis. We can contribute much more than we do to the continuation of the forests as a part of the world economy.

I spent several years in Africa in a part of the Sahara Desert where trees were being used for fuel to such an extent that it was getting very difficult to survive in many parts around the fringe of what is recognized as a pretty difficult area in which to live.

Although we support this change, I think we should take the opportunity to express that sustainability should not be limited to any specific area but should be recognized as a requirement across the industry.

If we are going to support rural Canada, then we must recognize that forestry is a strong element of rural Canada and needs the kind of support that we unequivocally give to other areas like agriculture. We recognize that there is a need for sustainability all across the country.

Mr. Oberle: Mr. Speaker, I very much appreciate the comments made by my hon. friend. Indeed, the committee in its wisdom elaborated extensively on the concept of sustainable development and the importance to forestry of this particular concept, not only in terms of the trade-offs and the compromises that have to be made as we expand the industry and develop new processes to keep the industry internationally competitive, but also in terms of the importance of our forest to the ecological system and to the environment.

It is for that reason that the committee in its wisdom chose to enlarge on the interpretation section to give a definition of the concept of sustainable development. This will indeed be the first such inclusion in any of the statutes of the government. May I just read the definition which is generally accepted throughout the world as being the definition of sustainable development. It says: "Sustainable development means development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

I thank the committee for its wisdom to include this phrase in this bill and, of course, it does answer my hon. friend's concerns.

Mr. John Brewin (Victoria): Mr. Speaker, I am pleased to rise in support of the motion and in particular Motion No. 5 which would add to the bill and to the duties of the new ministry the duty of enhancing public awareness of the social, economic and environmental benefits derived from Canada's forests.

I come from an urban constituency. Apart from occasional pruning, very few trees are cut down in our riding but on the other hand, even urban ridings like Victoria depend in a very vital way on the forest industry and on the forests of Canada. We depend on it economically, socially and environmentally. Beyond Victoria, throughout Vancouver Island, the forest industry is critical. In British Columbia the forest industry has always been our leading industry. This bill acknowledges on behalf of the Parliament of Canada the importance of forestry to this country, and the particular amendment that is before the House recognizes and elaborates on that recognition.

• (1040)

There is a need to improve public awareness of the importance of forestry to Canadians. Half the total land of Canada, 79 per cent of the area within the ten provinces, is forested; 60 per cent of forest land is productive. That is 243.7 million hectares. By comparison, 67.8 million hectares of land in Canada are in agriculture.

The production of the forest industry in Canada is $38 billion annually. Only the food and beverage industry exceeds the forest industry's contribution to manufacturing in Canada. It is a major export industry for this country with $17.9 billion in forest product exports; lumber alone, $4.1 billion; paper and paperboard, $7.5 billion; other forest products, $1.4 billion. In 1987, exports rose to 20.9 billion and provided this country with a net balance of trade of $18.3 billion in 1987.

The industry in forestry accounts for 15 per cent of Canada's merchandise trade. We supply 23 per cent of the world's exports of pulp and paper and 23 per cent of the total exports of manufactured forest products. The forest industry employs 840,000 Canadians, directly or indirectly. That represents nearly 10 per cent of all working Canadians. Forest industries provide an economic base for more than 300 one-industry communities across Canada. Economically, forestry is central to Canada's economic future.

Beyond that, as the public is slowly becoming aware and governments even more slowly becoming aware, forests are critical to our environment. Forests moderate weather, regulate stream flow, minimize soil erosion, protect fish and wildlife habitat and improve air quality. Rain forests together with oceanic planktons account for 90 per cent of the photosynthetic oxygen of the world.

In our part of the world, we are engaged in a deep community debate about the role of forestry and its connection with the environment. This bill and this clause, in particular, makes clear the minister's responsibility for ensuring that in that environmental debate the role of forestry is clearly understood by all Canadians. We cannot leave simply to the forest industry, whose credibility on this issue is less than perfect, the responsibility to explain to Canadians the important role of the forest industry in our environment.

We have a raging debate in British Columbia over the preservation of some of our most important valleys. The debate revolves around the issue of the role in the environment that the forests play and its role in related industries, such as tourism.

In that debate it is important that the role of forests in our economic and social life be clearly understood and that the government take the lead in terms of developing public awareness in building transition from an old style forest industry into a new environmentally sensitive forest industry so that we also begin to shift the jobs from the primary industries into the secondary and tertiary industries connected with forestry.

This country is far behind some of the other countries in Europe, such as Sweden, in adding value in terms of jobs and economic life for our community from our very critical forest industry.

In terms of developing public awareness, let me offer a few suggestions at this stage of the debate to the minister. There has been a tendency for governments to be persuaded that the best kind of advertising is to put a picture of the minister on a billboard, or a full-page ad in *The Globe and Mail*. While this minister may actually contribute mightily to at least people looking at the billboard, it seems to me we need a little more imagina-

tion in the way in which we develop public awareness in this country.

It must start with community based awareness programs in which people in our urban centres have an opportunity to actually get out into Canada's forests, not only to see the virgin forests in all their majesty and beauty, but also to understand in real depth how the forest industry works in this country, how the process works from beginning to end. As well, people in the forest industry must understand much better the concerns of urban Canadians on the environmental issue so that we begin to build a sense of community around these issues.

We need to work with the schools across Canada. We have an education system that gives us an opportunity to reach in a systematic way all of our young people in every part of the country. I would hope the minister, in developing programs of public awareness, will consult with school boards, colleges and universities throughout the country, and will develop with the forest industry and the trade union movement, which has played a leadership role in developing public awareness of these issues, a detailed program that can have real meaning to our young people.

Beyond that, I come from a constituency which has many seniors, in which there is a body of wealth, experience and understanding that could be put to work in enhancing public awareness of our forest industry. I believe there is great potential in working with seniors' groups not only in shaping the programs but in developing a relationship in those programs between our young people and our seniors. In our submission, a public system of developing awareness should be community based. Also, the minister should be discouraged as much as possible from putting his photograph on billboards, and move instead to programs which will pull this country together and enhance even further the role of this great industry in Canada's future.

• (1050)

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I am pleased to rise in support of the amendments which are before the House to Bill C–29, Motions Nos 1, 2, 3, and 5, which stand in the name of the Minister of State for Forestry.

I might say that a number of these amendments, and I am sure the minister would agree, were strongly urged upon the minister in committee, in particular by my colleague, the member for Prince George—Bulkley Valley, who has done such an outstanding job on behalf of New Democrats in speaking for us on this important legislation.

As well, my colleague, the member of Parliament for Skeena, our spokesperson on the environment, has played an important role in shaping the response of New Democrats on this critical legislation, which indeed is long overdue. My colleague for Skeena in his very eloquent remarks on this legislation at second reading had occasion to quote from a report done, I believe, by the Minister of State for Forestry himself, called *The Green Ghetto*.

I am not going to take the time during report stage to remind the minister of some of the very thoughtful comments he made at that time, but I will note that there is certainly a glaring inconsistency between too many of the policies of this government and the policies which the hon. member enunciated at the time of the drafting of that report, *The Green Ghetto*.

I want to say that as an urban member, as well as my colleague from Victoria who just spoke, certainly I share the concerns that have been enunciated by many of my constituents, indeed by many British Columbians and Canadians about the destruction in particular of old growth forests.

We are pleased to note the minister has made a strong commitment to the concept of sustainable development, but we have to be very careful that we have not only words, but action, in this important area. For example, the minister responsible for forestry, and I use the words advisedly, in the province of British Columbia, has accused environmentalists of being out to destroy the economy. He suggested that the environmentalists had a hidden agenda and were out to destroy the economy.

We need government leadership. We need leadership that will bring together the elements in the community that are concerned about the future of the forest industry. That includes environmentalists. It includes representatives of working men and women in the

industry, including the IWA, the International Woodworkers Association.

I was very pleased to note that the IWA recently adopted a policy at their convention which clearly commits it to the establishment and maintenance of fully sustainable forestry. That is defined in the IWA's policy as, "forestry that leaves to future generations of Canadians a rich endowment of fish and wildlife, soils capable of supporting varied ecosystems and commercial forests, managed so as to provide many more jobs and the wide range of forest recreations that Canadians value."

We have to bring these elements of the community together. That is not to say that there will not be conflicts or differences. I must say, Mr. Speaker, I was deeply saddened to note that certain members of the IWA, at the same time as promoting a thoughtful and comprehensive policy in this area, have been in court suing environmentalists in the Port Alberni provincial court.

In fact, a logging road in Sulphur Passage, north of Tofino, had been blocked. I very much regret that some members of the IWA, hopefully acting as individuals, have taken it upon themselves to actually sue the individuals involved in this action. For those people who took a stand to protect the future of this fragile ecosystem, I think it is most regrettable that that kind of action would be taken on the part of some of these members.

I made reference earlier to the important work of my colleague, the member for Skeena, on the whole question of forestry.

I want to take a few moments on this amendment to point out some of the concerns that we addressed in the report of the New Democratic task force on the environment, appropriately entitled: "Toward a Sustainable Future". This very comprehensive report was adopted following hearings by New Democrats across Canada.

In the report it is noted that one of our most precious resources, our forests, are really under siege. The rate of clear-cutting has increased in the last 40 years, to the point where many experts feel that the rate of logging now exceeds the long-term ability of our forests to replenish themselves. That after all, is what sustainable development should be about, development of our resources in a way that will ensure that our children and our children's children will also be able to enjoy the fruits of an economy in which there are jobs and in which there are forests.

But 63 per cent of Canadians believe that the most important factor to consider when deciding forest land use is the impact on the environment. Now Canadians believe that the greatest threats to forests are acid rain and other pollution, overcutting and mismanagement.

When we look, for example, at the situation in the Temagami area of Ontario, only 13 per cent of the forests in that area, the old growth red and white pine forests have, in fact, been regenerated. Is it any wonder that facing the extinction of this old growth forest after years of mismanagement, this forest of red and white pine, that Canadians have taken up the call to protect this fragile environment?

I would note as well that in many of the areas of land use conflict there is an additional concern, and that is the whole question of the rights of Canada's aboriginal peoples. That is certainly the case in the Temagami area. It is not just an environmental question, it is a question as well of, according to the spokespeople for the native people in that area, the Tem-Augama people, of possible extinction. According to their letter, they will be pushed over the cliff. They will be dead as a society of people. The old growth red and white pine forest will be gone as well, if in fact the logging road is pushed through that area.

That is another reason why we surely have to call for the negotiation of land claims as an integral part of a policy on forest and land use management. I know that my colleague from Comox—Alberni has done a great deal of work on this whole question of the resolution of native land claims. It is a very important area for us as New Democrats.

Native people have said to us: "We do not not inherit this land from our ancestors. We borrow it from our children". That must be our approach to environmental questions, whether it be forestry questions or other questions. That is why we support the amendments that clearly enunciate the importance of enhancing public awareness of the social, economic and environmental benefits derived from Canada's forests.

My colleague for Prince George—Bulkley Valley has pointed out the importance of taking a comprehensive approach in this whole area. We do not even have an inventory after all, of old growth forests in British Columbia or elsewhere in Canada, for that matter. This is an area in which the federal government can assist in providing leadership. In British Columbia, we have called for a royal commission on forestry and we have

been joined in that call by the IWA, who have urged a comprehensive look at this very important question.

My colleague has pointed out as well, that an essential element of the regeneration of forests is an assurance of FRDA agreements. We are still waiting for renewal of this important agreement in British Columbia, which runs out at the end of March. I will have much more to say on this and other amendments as the opportunity arises. But again, I want to commend the minister for recognizing the importance of public awareness in the area of sustainable development of this most important Canadian resource.

[*Translation*]

Mr. Deputy Speaker: It being eleven o'clock, we will now proceed to Statements by Members. The hon. member for Papineau—Saint-Michel.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

ORGANIZATION OF AMERICAN STATES

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, it seems that the Prime Minister will announce today that Canada is joining the Organization of American States. The minute allowed for a member's statement is not enough to do justice to the importance of the subject. Therefore, the Liberal Party will issue a full statement later on the role that Canada should play in Latin American and Caribbean affairs.

Let me just say now that joining this organization cannot take the place of a valid policy on the region. The Conservative government must formally commit itself, by concrete acts, to raising Canada's profile, in terms of both financial and human resources, in Latin America and the Caribbean. Also, it should immediately establish a set of priorities and principles to guide Canada's representatives to the OAS and in the region, for example, to strongly promote respect for human rights and to closely monitor situations that might result in violations of these rights, to provide effective aid taking into account respect for human rights and the environment, and to state clearly Canada's point of view on the settlement of conflicts in the region and to promote the democratization of institutions and governments.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member. The hon. member for Abitibi has the floor.

* * *

• (1100)

THE CONSTITUTION

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the Loch Meech monster has surfaced again. In an interview yesterday, Pierre Elliott Trudeau, the man who managed the incredible feat of repatriating half the Constitution after promoting national unity and bilingualism, launched another attack on the Meech Lake Accord, which according to him will put an end to Canada as we know it.

The former Prime Minister, whose customary arrogance hon. members will recall, in addition to ridiculing the leaders of the seven provinces that ratified the accord, shrugs off the humiliation suffered by Quebec in 1982 and blames political leaders in Ottawa and Quebec for the constitutional anomaly he himself created.

Canadians understand the importance of ratifying Meech Lake, and I am sure they also remember the War Measures Act and the National Energy Program.

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[*English*]

EL SALVADOR

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, Mirtala Lopez, Salvadoran human rights worker, was captured by the fourth Salvadoran infantry brigade in the north of El Salvador yesterday, Thursday, October 26, at 11 a.m. She is the daughter of Magdalena Hernandez, a peasant leader from Las Vueltas, a Salvadoran town twinned with Windsor, who is now on a speaking tour of Canada.

Ms. Lopez and four other human rights workers were trying to help 1,600 Salvadoran refugees return home after years of exile in Honduras. The army, financed, armed, and advised by the United States, has blocked the

refugees' re-entry for nine days, causing exposure, hunger and three deaths in the mountains.

Ms. Lopez, who was imprisoned and tortured for three months by armed forces earlier this year, is likely to be tortured again and killed along with the other prisoners.

I call on our Prime Minister to tell his good friend President Bush publicly that Canadians detest the bloody tyranny the United States and his government is imposing on El Salvador and to demand immediate release of these prisoners unharmed.

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SMALL BUSINESS WEEK

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, on the occasion of this week, Small Business Week, I would like to say that small business in Canada has emerged as a key engine of economic growth and job creation. Hundreds and thousands of Canadians have taken the exciting step of founding their own businesses. They have taken risks, committed their resources and devoted long hours to the success of their ventures.

Since 1984 Canada has had the best job creation record of all major industrialized economies, largely due the its vibrant business sector. This is Small Business Week and the government is aware of the importance of the small business sector's contribution to the economy. We strive through our policies and programs to foster the growth of existing firms and the creation of others through entrepreneurship.

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CANADIAN COAST GUARD

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, the Government of Canada once again is exhibiting its contempt for the men and women who dedicate their lives to the Public Service of Canada.

Earlier this week, I walked an information picket line with some of these men and women employed as ships' crews with the Canadian Coast Guard. These are the individuals who make Canadian waters a safe place for fishing ships, merchant ships and pleasure boaters. They work on armed fishery patrol vessels to protect Canadian sovereignty and police the valuable fish stocks on the east coast. They tow barges and work on oil tankers, defence research vessels, and coastal harbour fire tugs. They provide our country with essential commendable service in an honest and upright fashion.

This government has allowed these men and women to work without a collective agreement for well over two years. If this is not tragic enough, this government insists on continuing to impose on those contracts regional rates of pay.

As a member of Parliament representing some of these employees, I am deeply offended at having these workers, my constituents, treated in such a callous and discriminatory manner. I call upon this government to start bargaining in good faith and to conclude a fair agreement which removes the indefensible discriminatory practice of paying people on the basis of where they live and not the job that they do.

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SMALL BUSINESS

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, this week in the riding of Elk Island our weekly newspapers have been highlighting the importance of small business. One of the newspapers, the *Fort Saskatchewan Record* has outlined the potential benefits of the GST to small business.

The article correctly pointed out that special measures like the small traders exemption, streamlined accounting systems, less frequent filing requirements, payments by Ottawa of a fee of up to $600 and financial support for adapting cash registers are special considerations designed to help small business adapt from the old federal sales tax to the new GST system.

As a highlight, *The Record* informed readers that under the GST, $600 million will be directed from Ottawa to small business in Canada. On behalf of all the people of Elk Island, I salute small business for its ongoing commitment to our community and for its valuable contribution to the Canadian economy.

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INDIAN AFFAIRS

Mr. Jim Fulton (Skeena): Mr. Speaker, the Governments of Canada and British Columbia must immediately open negotiations with the First Nations of B.C. on the matters of title and rights.

The Gitksan-Wet'Suwet'en are asserting authority over their 57,000 square kilometre traditional territories. Chief Justice McEachern describes their trial which began in May 1987 as the most important land claim trial ever undertaken in Canada.

Amid much controversy but with growing native and non-native support, the Gitksan-Wet'Suwet'en chiefs have set up roadblocks on logging roads entering their territories. The B.C. Court of Appeal ruled four months ago that the chiefs can prevail against new resource developments as long as the question of aboriginal title remains unsettled. It will be many months before the Supreme Court of B.C. rules and it will be many years before the matters raised are ruled on by the Supreme Court of Canada.

Earlier in the week, the Minister of Indian Affairs met with the B.C. Attorney General and confirmed that the province will not be pursuing any injunctions affecting the roadblocks. The Gitksan- Wet'Suwet'en have a right to halt the exploitation of their lands according to Canada's Constitution and the highest court in B.C. The simple fact is that the moment for justice has arrived, and before some incident sparks tragedy, I call upon the Prime Minister to act and to negotiate.

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THE ENVIRONMENT

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, the Standing Committee on the Environment had the opportunity to visit Washington on October 24 and 25. This trip gave us the opportunity to meet with a number of congressmen including Senate Majority House Leader George Mitchell of Maine on the topic of acid rain.

I am quite pleased to be able to report that acid rain legislation in the House of Representatives will be before the Committee on Energy and Commerce shortly and that a bill is expected to be introduced in the Senate in a couple of weeks. Canadians should be encouraged that there is great optimism in both the House and Senate that a bill will be passed.

The political situation in the U.S. with respect to acid rain has changed dramatically. The argument is not if a bill will be passed. It is how and when a bill will be passed. The general consensus appears to be that legislation should be in place by early 1990, if not earlier.

Canadians from coast to coast and members on both sides of this House can take heart in the fact that effective U.S. legislation on acid rain appears to be on the horizon to reduce acid rain by about 10 million tonnes in the U.S. by the year 2000 A D. As a member of the acid rain committee and one who has been working on this for close to 10 years, that is certainly welcome and exciting news.

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PROPOSED GOODS AND SERVICES TAX

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, it is with pleasure that I recognize the contribution that small businesses have made to my riding of Malpeque and to all ridings in Canada. There is no doubt that the spirit of entrepreneurship is the backbone of communities across our country. However, I am concerned with the effect the government's GST will have on small business development.

• (1110)

For the past few weeks, the finance committee has travelled across Canada. We have heard how detrimental this tax will be to the growth of the small business industry. Yesterday the committee held its final hearing. I urge this government to listen carefully to what Canadians are saying about this tax.

We must encourage the spirit of entrepreneurship, not stifle it with bureaucratic nightmares for small business people. This week, as we acknowledge the small business community across Canada, let us think of ways to further its existence and stop the GST.

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EXTRADITION

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, I applaud the decision taken by the Minister of Justice in ordering the extradition of Charles Ng to the United States. The member for Peterborough as well as many Alberta members should also be commended for their continuing efforts in this regard.

However, there is some truth to the maxim "justice delayed is justice denied". To prevent delay in justice and discourage others who may seek refuge in Canada to escape justice in their own country, the Minister of Justice should have the power to order the extradition of

alleged or convicted criminals any time after their apprehension in Canada or during their period of incarceration for crimes committed in Canada. I encourage the minister to continue to pursue legislation in this regard.

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AUDITOR GENERAL'S REPORT

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, the Auditor General in his annual report twice states that there are two options open to a government that wants to tackle the deficit and debt without curtailing programs. He says,"It can increase taxes or it can operate more efficiently."

This unfortunate statement infers that the debt and deficit problem could be met through greater efficiency alone. That is simply not true and the Auditor General knows it. There is no quick fix. Ready proof of the inference can be found in the Wednesday *The Globe and Mail* headline "Federal tax increase not necessary, Dye says".

The Auditor General has quite properly identified opportunities for improved efficiency and better management in government. It is unfortunate that his serious misstatement regarding the deficit problems mars his report. I call on the Auditor General to clarify his statement so that Canadians will not be misled on an issue of vital national importance.

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NUCLEAR INDUSTRY

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, it is said that Atomic Energy of Canada Limited wishes to sell a nuclear reactor to Israel. Given that Israel is widely reported to have a covert nuclear bomb assembly capability, I call on the Government of Canada to block this sale. Given that the Israelis are not signatories to the nuclear non-proliferation treaty, they cannot be considered to be purely peaceful consumers of nuclear power.

It should be remembered that in 1974 the Indian government detonated a nuclear bomb based largely on Candu technology and nuclear materials. We do not need this dangerously dirty technology and the balance of power in the Middle East does not need another nuclear plant with all the possibilities of diverting nuclear materials to nuclear weapons production that such a Candu plant would imply.

* * *

THE ENVIRONMENT

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, recent events have called to the attention of all Canadians that Canada's Great Lakes, one of our precious resources, are in a crisis. They have become the beachhead for both chemical and biological pollution.

In 1981 the government ignored a study by Environment Canada which recommended that ships exchange ballast water in mid-ocean to prevent an invasion of zebra mussels in the Great Lakes. In 1985 the government axed the study and purged the scientists who sought to ascertain the risk to human health posed by toxic chemicals in the Great Lakes.

In 1987 the government failed to honour the commitment with the United States to clean up the Great Lakes. As a consequence, zebra mussels have proliferated and toxic chemicals have accumulated in the Great Lakes, thereby adversely affecting our food and water supplies and risking birth defects, brain damage and cancer in people.

The government's response to date has been too little too late. I urge the Prime Minister to introduce a long-term environmental program that will effectively clean up the Great Lakes and thereby assure Canadians of today and Canadians of tomorrow that they will be safe from the twin problems of chemical and biological pollution.

* * *

MEECH LAKE ACCORD

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, the Meech Lake monster has surfaced once again. In an interview yesterday, former Prime Minister Trudeau renewed his attack on the Meech Lake Accord. He claims that it would mean the end of Canada as we know it. This comes from someone who preached one thing, national unity, but practised another, repatriating the Constitution to the exclusion of Quebec.

The former Prime Minister's rigidity even to the point of arrogance is legendary. Not only did he ridicule the premiers of seven provinces that ratified the accord, not only did he poke fun at Quebec's humiliation in 1982, he

now blames the politicians in Ottawa and Quebec whom he left to clean up the constitutional anomaly which is fully his legacy.

Canadians who believe the message of national unity that Mr. Trudeau once preached now understand the importance of ratifying the Meech Lake Accord.

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GENERAL MOTORS

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, last week General Motors of Canada announced that it would move the van production facility currently located in Scarborough to a new consolidated production facility at Flint, Michigan. The Scarborough van plant now employs about 2,700 people and has an annual payroll of close to $100 million.

In the North American auto market, trans-border shifts in auto production are going to occur from time to time, but all of us will agree that significant losses or gains in auto production are material factors in the health of our industrial sector.

The Minister for International Trade must make himself fully aware of the circumstances surrounding this plant closure. His ministry must be proactive in ensuring that this significant Scarborough industrial resource continues to be utilized. He cannot leave management of our economy exclusively to General Motors.

ORAL QUESTION PERIOD

[*Translation*]

FINANCE

Hon. André Ouellet (Papineau—Saint-Michel) Mr. Speaker, my question is directed to the Minister of Finance. The minister always said his tax would be revenue neutral and would not be used to reduce his deficit. Is the minister aware that the Economic Council of Canada has published a study that proves the exact opposite? With tables to prove its points the Economic Council of Canada states that additional revenue generated by the minister's new tax will total $7.9 billion in 1995, and that the deficit will be reduced by about $5.2 billion. Considering this damning evidence, will the Minister finally admit he did not tell the whole truth?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I can repeat the answers that I have given to the early part of his question again if the hon. member wishes. On the question of the Economic Council report, I have read that report and I am still puzzled by certain omissions in the report. I may not have seen all the appendices to the report, but at this point, it is not clear how we get to the lower rate of tax that the Economic Council is proposing without giving up some of the clear fairness elements in the package. I am not sure which fairness elements in the package the Economic Council is proposing that we do away with and until I see the full extent of this analysis, I am not prepared to comment further.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I have a supplementary question for the Minister of Finance. Not only does the minister refuse to consider the possibility of reducing the GST rate, he has refused to acknowledge or deny the fact that the rate might go up. The cock has now crowed twice: first in Montreal and then yesterday in the House of Commons, when a member of the opposition asked him a question and the minister again refused to commit himself. The minister's credibility is at stake. I am now giving him a chance to make a clear and formal commitment to the House that he will not increase the rate of his GST.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, it is impossible for a minister to promise not to change tax rates in the future. So many things can happen in our international economy. There may be other problems, and there may also be domestic problems. It is impossible to make this kind of commitment. I have said, from time to time, that the best deal for Canadians is to have a government that controls spending.

Some Hon. Members: With care.

Mr. Wilson (Etobicoke Centre): —with care. And our goverment's record is very good. We have reduced spending by 3.6 per cent over five years, the best record of any government in this country, and it is better than the record of the hon. member's government, which increased spending by 14 per cent during the five years preceding 1984.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): And that is very bad indeed.

• (1120)

[*English*]

Mr. Ouellet: Mr. Speaker, such an answer coming from a minister who is responsible for doubling the national debt is certainly not reassuring.

Some Hon. Members: Oh, oh!

Mr. Ouellet: You do not want us to say it, eh? It hurts. Is the minister aware that one of his senior officials said yesterday that over 30,000 new jobs were lost when Ottawa walked away from negotiations with the provinces over the creation of a joint national sales tax? This says a lot for a government that was supposed to promise national reconciliations with the provinces.

Will the minister acknowledge his mistakes, listen to his officials, go back to square one and resume negotiations with the provinces?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I listened carefully to my hon. friend's statement about the increase in the size of the government debt. If we did not have to pay the interest on the debt that had been run up by his government and previous Liberal governments, we would not have had a deficit today.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Let me put that in perspective and context for the hon. member. When we came into office, there was a deficit in program spending in relation to the revenues of the government. We have now turned that into a surplus from a deficit of $22 billion to a surplus this year of $9 billion. We are paying our way in this government but we are still saddled with the debt that the previous government ran up and the hon. member knows it. I can tell from the smile on his face.

Mr. Ouellet: The Auditor General says you mismanaged the country.

Mr. Wilson (Etobicoke Centre): If the hon. member wants to look at specific quotes that the Auditor General has made, he will read where the Auditor General says that we have great control of spending in this country. It is there in black and white in the report.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is also directed to the Minister of Finance, who claims he can control spending. Some time ago, Canadians dicovered that the Government intended to budget $4.5 million of their money to promote the GST. Now we find that this misleading advertising will cost not $4.5 million but as much as $9.1 million. Why should Canadian taxpayers have to pay for misleading Tory advertising?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is an advertising budget and there is a budget that involves a number of things, primarily for brochures, for the printing of the technical paper, for the overview of the technical paper and, yes, those things do cost money.

I remind the hon. member that when the finance committee returned from its trip to New Zealand a year and a half ago one of the things that the committee recommended in its report—I do not have the precise words here. In fact, I do. If the government proceeds with the tax, the committee recommends that it establish a private sector advisory committee to develop practical rules for the new tax, and to publicize the details of the new tax and the relevant social policy transfers.

It is very important for Canadians to understand the nature of this tax. If the hon. member refers to the CBC–*The Globe and Mail* poll earlier this week, he would see that 60 per cent of Canadians said they did not have enough information about the tax. It is very important for us to get that information out so that people can draw their conclusions about the new tax.

Mr. Boudria: If the minister wants to talk about the public opinion poll, I can remind him that 80 per cent of Canadians do not want any part of his tax, nor the advertising, nor anything else that goes with it.

The headlines in the newspaper today state that "The KGB has now abolished its anti-dissent unit, its top police". At the same time, Canadians know that the Government of Canada has doubled its anti-dissent budget in promoting the goods and services tax.

When are we going to get some *glasnost* in Canada? When are we going to get a government that stops using taxpayers' dollars to manipulate public opinion?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, we have both *glasnost* and perestroika in this country. The whole budget-making process, the tax reform process, has been done in a very open way. We have held consultations now for two and a half years since the White Paper was put out on the sales tax proposal. We have had another paper since the April budget. We have a technical paper now dated August 8 of this year.

In a very real way, *glasnost* is demonstrated to the Canadian people. It is all in pursuit of *perestroika* which is restructuring, withdrawing a number of the elements of the economy that are holding back the private sector.

If you go back to the November 8 economic statement, we stated our intention to introduce a number of ways that we would improve the functioning of the economy. Tax reform was one, open trade was another, incentives for investment, privatization, deregulation of energy, of transportation and of financial services, making for a more flexible labour force. I would be happy to send over to the hon. member a copy of the November 8 economic statement.

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PROPOSED GOODS AND SERVICES TAX

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, on May 23, our research office filed a request through the Access to Information Act and on September 12 the Minister of Finance responded by saying the government would spend $6.6 million on GST advertising. Yesterday in committee, finance department officials revealed that $9.1 million of taxpayers' money would be spent to sell the GST to a reluctant and angry Canadian population.

I ask the Minister of Finance, was that $6.6 million figure given to our research department through access to information on September 12 not entirely the truth?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as normally happens with this type of question, some of the information is left out of the preamble. In the letter of September 12, it states: "All records have been reviewed up to and including August 8." That information was provided to Mr. Keith Reynolds of the NDP caucus research bureau and was absolutely accurate.

Mr. Taylor: Mr. Speaker, what we see here is the government making a 40 per cent increase in its budgeting in less than two months. This is the second incident in a week where the minister has been shown to undermine the access to information process. He is telling us one thing and doing another.

• (1130)

How can Canadians believe the assurances that this minister has given them about the GST?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I fundamentally reject that because we provided the information that was requested. We made it quite clear what the information was, and then in this past week we have updated that information in view of recent circumstances. Surely the hon. member must admit that that is very open government, in providing all the information the committee needed yesterday and asked for yesterday in a very open way.

I see sitting beside the hon. member the member for Nickel Belt. We have had all this fire and brimstone from the NDP members of Parliament about what a terrible thing the goods and services tax is, but then the Hon. Member for Nickel Belt says: "I would like to see a tax at the retail level of 5 per cent". So he is accepting the principle of a tax. All we are arguing about is the rate.

Mr. Taylor: Mr. Speaker, the minister told us $6.6 million. It turned out to be $9.1 million.

What else has the minister got in his back pocket? What else is he not telling us? I think it is time that Canadians got the truth instead of being subjected to contemptible government advertising. Is this the Minister of Finance, or is he the minister of propaganda?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I do not think the hon. member can have it both ways. The finance committee of the House of Commons, on which were sitting representatives of both opposition parties, agreed on the recommendation that I read out.

It is the fifteenth report. It is dated in early 1988 and it says that we must publicize the details of the new tax.

If we do not have money to publicize the details, what are we going to do it with—tom-toms? Are we just going to speak on little telephones or what?

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): You have to use information like this—reports, brochures, and other forms of publications—to ensure that Canadians understand the details of the proposals so that they can make up their minds about the proposals.

Some hon. members have referred to the CBC poll that said 80 per cent were against this tax; 60 per cent also said they did not have enough information on which they could make that judgment.

* * *

FISHERIES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister for International Trade.

Yesterday his colleague, the Minister of Fisheries and Oceans, indicated that the problems in the Scotia Fundy region were ones of overcapacity in terms of harvesting and processing, while the problems in the Newfoundland fishery related to science, the environment and other factors. If you assume that the problems are different, it is logical to assume that the solutions will be different.

I would like to ask the Minister for International Trade if he could indicate to the House that there will be a measure of fairness, that the Government of Canada will not participate in any mug's game to put Newfoundland fishermen against Nova Scotia fisherman, and that the solutions which will be put in place hopefully in due course will provide equity both for Newfoundlanders as well as Nova Scotians.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, that is the easiest question I have ever had to answer in the House.

We are interested in the problems of Canadian fishermen. We understand that Newfoundland fishermen are Canadians as are Nova Scotia fishermen, Quebec fishermen, New Brunswick fishermen, P.E.I. fishermen, British Columbia fishermen. In fact wherever there is a Canadian fishing we are interested in the problems of that Canadian fishermen. Equity and fairness is certainly the hallmark.

With reference to the Scotia Fundy Shelf this is a matter that is being referred as well to the cabinet committee led by my colleague, the Secretary of State for External Affairs. The task force led by Mr. Haché has been looking at the situation there. We hope to deal with this problem and to be as helpful as we can and as soon as we can.

Mr. Dingwall: Mr. Speaker, my supplementary questions is for the same minister. At this very hour the community of Louisburg in eastern Nova Scotia, with an unemployment rate of 22.9 per cent, is involved in a march of concern to demonstrate its dismay at the possible closure of its fish plant throwing 400 workers out of work.

I would like to ask the minister, on behalf of the Government of Canada, what assurances he and this national government will give those workers. Can he, will he guarantee their jobs and thereby ensure that this community saddled with high unemployment will have some degree of certainty as it looks to the future.

Mr. Crosbie: Mr. Speaker, the firm of National Sea Products, as it is known, has been having some difficulties as have other east coast Canadian fishing companies. They have had losses now for a number of quarters. The company does not believe that they can continue taking losses and they are going to have to take steps that will minimize their losses and put them back in a profitable position.

Now it is not just Louisburg. The company has a number of plants in my own district of St. John's West. It has a plant at Arnold's Cove, a plant at St. John's, a plant at Burgeo, Newfoundland, and other plants in Nova Scotia.

We have had no information from the company that it has decided to close any particular plant.

We are expecting that they will consult with us before they do take any such action so we can be ready to do all we can to assist the people who were working in any plant that they might decide that they had to close, either temporarily or whatever the decision might be. We have had no such information.

Therefore, I can only say to the people of Louisburg: "We hope that your plant is not going to be closed. We will do what we can to see that it continues to operate, and we will certainly do everything we can to assist

anyone who might be laid off as a result of the present resource situation in the east coast fishery".

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for my bosom pal, the Minister for International Trade, fresh from his bull in the china shop romp across Europe, only to find that his colleague the minister of fisheries is stomping around on our own china shop over here, frothing at the mouth about "prosperous times" he says "prosperous times in the Atlantic fishery".

The minister, to his credit, tells the opposite story. He does it graphically, even earthily, but he says it and he is on target, I say to him.

But what I want to know is: Who speaks for the government on this fisheries issue in Atlantic Canada—the Minister for International Trade, which I hope is the case, or the minister of fisheries?

Maybe, if the Minister for International Trade would stay closer to home and mind the shop, he could contain the damage being done by the minister of fisheries in the Atlantic fishery.

Mr. Crosbie: Mr. Speaker, when any minister speaks on behalf of the government then that minister is speaking on behalf of the government. There isn't any way to divide the matter up. The Minister of Fisheries and Oceans is speaking on behalf of the government and I trust that I am as well, and we are in perfect harmony.

The Minister of Fisheries and Oceans has rightly pointed out that the fishing industry on the east coast of Canada is far healthier than it was four or five years ago.

Some sectors of it are always healthy; some sectors are not. In the inshore fishery every year there will be part of the coast where the inshore fishermen get no fish, so that is certainly not healthy in that particular area. In another part of the shoreline there will be a very good fishery, so that fishery is healthy. The fishery can be both healthy and non-healthy, both at the same time. While the hon. gentleman opposite might not want to acknowledge that, that is the situation.

The minister of fisheries yesterday announced a new $28 million program for aerial surveillance and enforcement in the offshore, moneys that were never allocated or spent by the hon. gentlemen opposite when we had the misfortune to have them in government in this country.

Some Hon. Members: Hear, hear!

• (1140)

Mr. Simmons: You know, even when you squirm you're delightful.

Mr. Speaker, let us get this straight. The fishery is healthy and it is unhealthy; both versions are correct. The government believes both views, that the patient will live and the patient will die but even if it dies there is nothing wrong with it. Smack in the middle of all that glorified, beautiful bafflegab there is an admission from the minister who knows the situation well, that our fisheries is in crisis particularly in Newfoundland.

I ask him now: instead of dancing all over and trying to cover for his colleague who has admittedly embarrassed him on this issue, when is the government going to come forward with an adequate special and credible response program to address the needs of those thousands of people out there who are having difficulty putting bread and butter on the table?

Come to the rescue of your fellow Newfoundlanders, John, please.

Mr. Crosbie: Mr. Speaker, it was Oscar Wilde who said about Bernard Shaw that he had no enemies but that he was intentionally disliked by his friends. It could equally have been said about the hon. gentleman who is questioning me at the moment.

With respect to the question that he has asked, at the beginning of this year our fisheries scientists gave us advice that was startling different from the advice that they had been giving the minister of fisheries and the government in the previous five or six years in connection with the size and total allowable catches which might be made of northern cod.

As a result the government acted immediately. We appointed Dr. Leslie Harris, and I think several distinguished fisheries scientists knowledgeable of the fishery, to review the whole methodology and to recommend to the government what they think is the situation, what steps should be taken to ensure that we are getting accurate forecasts, and to advise us on what they think

the TAC should be next year. Their report will be in by the end of the year.

The minister of fisheries has already allocated $3 million additional funds for research into the east coast fishery, what stocks are fished there.

Action has been taken. A cabinet committee has been appointed. A task force under a Mr. Stein has been appointed. There is action being taken every day, and we will have a plan in place to deal with the problems when we know exactly what are the nature and the extent of the problem.

Mr. Simmons: Bread and butter, Johnny.

* * *

SPACE PROGRAM

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is directed to the Minister of State for Science and Technology.

A consultant's report which was mandated by the government of Manitoba and funded at least in part by the federal government says that the closure of the Churchill rocket range was a mistake, that its dismantling should be halted and reversed, that closing the range makes Canada dependent on other nations for its space program and is devastating to that program.

My question to the minister is simply this: Is the government prepared to respond to that report in a positive way and co-operate with the Manitoba government in reopening the Churchill rocket range?

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, as the hon. member knows that report is being studied by the National Research Council which still has authority over that range. When it has had a chance to look at it, indeed it will make a recommendation to the government.

Mr. McCurdy: Mr. Speaker, that report says that the current Canadian rocket program with one launch every two years from foreign soil is inadequate to sustain scientific careers or attract young scientists.

This morning we have the manager of the Manitoba space program saying that the ideal situation would be for NASA or someone else to come in and reopen the base. The government of Manitoba has already found that there is considerable demand for the use of that particular rocket range.

I ask the government: What position does it take with respect to the reopening of that range which it closed?

Mr. Winegard: Mr. Speaker, when we have had a chance to review that report and when I have had a chance to review the report from the National Research Council, I will be delighted to make some response to the whole issue.

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SEMI-AUTOMATIC WEAPONS

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, my question is for the Minister of Justice. Many of my constituents in Cariboo—Chilcotin, in fact many people across Canada, have been expressing sincere concern regarding the proposed legislation to ban the importation of semi-automatic weapons.

On behalf of law-abiding Canadians who possess legitimate semi-automatic weapons, I would ask the minister to clarify his intent.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there is absolutely no intention of banning the importation of semi-automatic weapons, none whatsoever. The government is looking at the banning of further importation of firearms originally designed and manufactured to fire in an automatic mode which are converted to semi-automatics for importation purposes.

There is no intention at all to ban the importation of semi-automatics, only those originally designed and manufactured to fire in an automatic mode. Any such weapons that are currently in the country would be grandfathered.

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[*Translation*]

CANADA POST

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, in the absence of the minister responsible for Canada Post, I will direct my question to any other minister who is prepared to justify the substance of my question.

Some Hon. Members: Oh, oh!

[*English*]

On October 10, Canada Post informed communities north of my riding of Cochrane—Superior and of Kenora—Rainy River of a prohibitive, senseless 32 per cent increase in postal rates effective November 13, 1989. The first citizens of this country depend on Canada Post for their basic essentials.

In view of the fact that unemployment hovers around 50 per cent and 90 per cent in those remote areas, would the minister bring Canada Post to its senses and continue to offer a service affordable to the citizens of the north?

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, the minister responsible for Canada Post said in this House the other day that he was prepared and anxious to have a meeting between all those affected and Canada Post. That meeting is being arranged.

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, my supplementary question is for the Minister of State for Indian Affairs and Northern Development.

Broughton Island is one of the 23 communities in my constituency of the central and eastern Arctic which will be hard hit by this Canada Post rate increase. If this increase is imposed, the people of Broughton Island will have to pay about $5 for one litre of milk, $6 for a celery bunch, and $10 for a three-pound bag of apples.

How does the minister think the people of Broughton Island will be able to afford these basic groceries? Will she take immediate steps to stop this planned rate increase?

Hon. Kim Campbell (Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I would simply repeat what my hon. colleague said on behalf of the minister responsible for Canada Post.

With respect to the impact in the north it is difficult to determine the impact precisely. The minister responsible for Canada Post has expressed his willingness to meet with all the affected groups in order to determine whether this is an appropriate policy, and that meeting is forthcoming.

PUBLIC SERVICE ALLIANCE OF CANADA

Mr. Bob Wood (Nipissing): Mr. Speaker, employees of Veterans Affairs and National Parole have been trying to negotiate a fair settlement to their contract that expired about three years ago. Their demands are not unreasonable. They want wages to keep pace with inflation and parity with other government workers in similar jobs. These employees are in the helping profession which includes counsellors and social workers. As such these individuals are very committed to their clients.

My question is directed to the President of the Treasury Board. I would like to know: When does the government intend to return to the negotiating table with the Public Service Alliance of Canada to work out a fair settlement?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we actually returned to the table yesterday morning. The negotiations continued all day yesterday, and we resumed this morning. We are in the process now of mediation following the Conciliation Board report.

• (1150)

I would certainly hope that this process of mediation would lead to a successful resolution of the issues that are before us. I can tell the member that we are being as forthcoming as we can with the backdrop of the over-all agreement in the public service.

We are at the table at the moment. It would be premature to say that the talks will either succeed or fail. I certainly hope and the government certainly hopes that these talks will succeed in the next few hours.

Mr. Wood: Mr. Speaker, I do appreciate the answer.

My supplementary question is directed to the Minister of Veterans Affairs. I would also like this minister, if he could use his influence on his colleagues at the Treasury Board, to ensure that ageing veterans have the help they depend on to get them through the many difficulties they are experiencing with increased medical problems as a result of war injuries and that employees of his ministry are not forced to go out on strike.

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, the President of the Treasury Board has indicated to this House very clearly that the labour process, the negotiation process, is in effect now.

We are in the process of mediation. Meetings are taking place now. Following the conciliation process, hopefully this will end in an agreement between the two sides.

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OCCUPATIONAL HEALTH AND SAFETY

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I have a question for the Minister of Labour concerning the health and survival of the operations of the Canadian Centre for Occupational Health and Safety, which has been threatened by the government's financial slashing.

The minister has told this house that the centre is not at risk over funding costs and also that this should be obvious because the market-place has lots of options.

I would like to ask the minister: what in fact has the market-place offered in the way of alternatives for this agency, an agency geared to the avoidance of industrial health hazards which not only protects health but saves time and many thousands of dollars? Is $10 million too high a price to save lives?

I would like to ask the minister: With 90 days to go under the minister's imposed deadline, what are the results of his marketing plan? As the minister knows, the CEO of the centre went to market to buy a plan. The plan cost $180,000. It was a fantasy and, when the council rejected it, it cost him his job.

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, as I have indicated many times in this House, since its inception 10 years ago the centre has done a tremendous job, and we intend that the centre will continue its operations.

The CEO of the organization was asked to prepare a plan to meet the objective of this government that it become self-sufficient over the next three years. The CEO presented its plan to the governors of council in October, and its plan was rejected. The council of governors has formed a task force and hired a consultant to prepare a new plan which I have asked them to present to me by January 31 next.

Mr. Kristiansen: Mr. Speaker, that really does not help. The whole issue of the centre's survival is now mired in utter confusion and nobody knows who is in charge any more.

The minister has said that the proof of the pudding lies in the fact that a new plan is in the works. That is not so.

An October 19 memo from the Canadian Labour Congress stated that it refused to participate in alternative planning within the impossible constraints imposed by the minister. It is one of the three bodies responsible for the governing of that centre. The confusion over leadership, the viability of selling a product that is not owned by the centre and where the NIOSH-CCOHS contractual agreements can be terminated in 30 days, do not show sound planning. All this makes the minister's request impossible to meet.

I would ask the minister: Will he agree now to end some of the confusion, take a second look and recommend that the centre receive guaranteed interim financing? Will he reopen negotiations with the centre without preconditions?

Mr. Corbeil: Mr. Speaker, the Centre for Occupational Health and Safety was informed in April, through its CEO, that the government would want the centre to become self-sufficient over the next two years.

The CEO was asked to prepare a plan. The council of governors rejected that plan at the October 5 and 6 meeting. They have themselves decided to form a task force and hire a consultant to have a second look at it. I have asked them to present their report by January 31. When I receive the report I will see what they have to offer.

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TAXATION

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, I would like to direct my question to the Minister of Finance.

Seniors across the country have been led to believe that they will be the victims of double taxation on their old age security high income repayment.

Could the Minister of Finance tell me if this is true? If it is true, it is grossly unfair.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I can reassure the hon. member that it is absolutely untrue. The high income repayment is calculated and then the net amount after the repayment is subject to the normal income tax for the person in the tax bracket they would be in.

There is absolutely no double counting, and it is the fairest way that we can put together to achieve our objectives.

* * *

PROPOSED GOODS AND SERVICES TAX

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, my question is directed to the Minister of Finance.

On Monday, hundreds of Canadians will march outside this Chamber to demonstrate their rejection of the proposed goods and services tax. Many of these Canadians are offended that this government is preparing to tax books and magazines since publishing is a very price sensitive industry where increases in consumer costs result in a proportional decrease in demand. A study by Woods Gordon says that the tax will result in a 10 per cent to 15 per cent drop in sales.

My question is: Why does the minister feel he can jeopardize a vital industry with such a hefty tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not accept the analysis the hon. member has made. Those studies that are done by companies like Woods Gordon or others are looking at one industry in isolation to anything else that is happening in the economy.

Since all sectors of the economy are being affected by the broad base tax, there is not the distortion which would have that effect generated by the new tax.

Our position has always been to make the tax as broadly based as possible so that the burden of taxation can be shared as fairly as possible and as equitably as possible across the economy. In that way we would make a very large improvement from the existing tax which is based on such a narrow part of the economy, leaving other parts of the economy free of tax.

Ms. Guarnieri: Mr. Speaker, I wonder if the minister is hoping to reduce Erik Nielsen's future sales of his book by introducing the tax.

[*Translation*]

My supplementary is directed to the same minister. By imposing the 9 per cent GST, the Tory Government will massacre the publishing industry, especially Francophone publishing companies. French books are already for more expansive than English books.

Does the Minister realize he is penalizing Francophone readers and that as result, only a minority of wealthy Francophones would be able to afford books?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think the hon. member ignores the fact that a very generous credit rebate will be paid to low income Canadians that will offset the impact of the goods and services tax on people in low income brackets.

To put that into perspective, families with less than $300,000 of income will be better off after tax reform, and that is a considerable change over the type of sales tax we inherited some five years ago where there was no offset, there was no rebate paid to low income Canadians. We are moving from a tax which was clearly regressive to one that is in fact progressive and clearly much fairer than the old system.

Mr. Deputy Speaker: Question Period will close with questions from the member for Kingston and the Island and the member for Victoria.

* * *

ACCESS TO INFORMATION ACT

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Finance. Yesterday he replied to a request for information pursuant to the Access for Information Act. In order to avoid a court battle he created a veritable paper blizzard and tried to snow the reporter who filed the request. Neither the reporter nor we in the Liberal party are easily snowed.

• (1200)

Why will the minister not release the 530 sheets his departmental officials originally prepared for him to release, and recommended that he release, instead of the 1,000 sheets of nonsense that he published yesterday in response to this request for information?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in response to the hon. member who is continually walking around in a blizzard, the information we have provided is the information to which the applicant is entitled under the Access to Information Act. The other information which has been withheld is clearly advice to the minister.

My friend is a very knowledgeable lawyer, I am told. I do not know that first hand. These rumours, though, are scurrying around. He knows the importance of advice to minister. He knows that has been identified in the act as an element that should be protected so that the free flow of information and the free dialogue between the minister and his deputy minister will be maintained. It is on that basis I have made the decision that that advice should not be released.

* * *

ROYAL CANADIAN MOUNTED POLICE DRESS CODE

Mr. John Brewin (Victoria): Mr. Speaker, my question is for the Minister of Justice. In June the RCMP Commissioner told the Standing Committee on Justice and the Solicitor General that he had legal advice, presumably from the Department of Justice, that it was a denial of rights under the Canadian Charter of Rights and Freedoms to fail to permit Sikhs to wear turbans as members of the RCMP, that it was contrary to the Canadian Charter of Rights.

It is now nearly November, Mr. Speaker.

Will the minister, who is responsible for enforcing the Charter, insist that the Solicitor General stop dithering on this issue and approve the RCMP recommendation? Will the minister take the opportunity that will be available to the government this afternoon, when a motion brought in the name of the member for Burnaby—Kingsway on this issue to make it very clear to Sikhs and to others in the multicultural community and to all Canadians, that the rights of Canadians in this matter are going to be upheld by our national police and by the Minister of Justice?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, speaking on behalf of the Solicitor General, I would advise my hon. friend that the government is giving careful consideration to the recommendations of the Commissioner of the RCMP. The discussions on these recommendations will be based on the essential principles, that is, to maintain and improve policing service to all Canadians.

As I said earlier this week when the Solicitor General was away, it is my understanding that he is reviewing this matter urgently and a decision will be made in due course.

Mr. Deputy Speaker: The hon. Minister of State for Science and Technology on a point of order.

* * *

SPACE PROGRAM

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, I may have inadvertently misled my college from Windsor—St. Clair on the question with respect to the Churchill rocket range. I said the National Research Council because perhaps technically that is correct.

The group actually reviewing it is the Canadian Space Agency which, until the bill is passed, officially does not exist. But that is the group doing the review.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to seven petitions.

[*Editor's Note: See today's Votes and Proceedings.*[

* * *

[*Translation*]

CANADA–EUROPEAN PARLIAMENTARY ASSOCIATION

PRESENTATION OF REPORTS

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, pursuant to Standing Order 34, I have the honour to table, in both official languages, the following reports of the Canada–Europe Parliamentary Association: Preliminary Meeting, 7th Parliamentary and Scientific Con-

ference, Paris, France; Parliamentary Visit to Hungary, Czechoslovakia and Poland; Annual OECD Debate of the Parliamentary Assembly of the Council of Europe, Strasbourg, France.

[*English*]

The delegation that went to eastern Europe certainly was there at a time of historical significance. The meetings with the parliamentarians and the government officials confirm that "political reform" were the words of eastern Europe. We heard them most often.

The rise of democracy to a multi-party system and increased human rights were what people wanted to talk about and, indeed, what they wanted Canada's Parliament to support and to help in the future.

We learned in Poland that economic development is critical. In fact, it is absolutely necessary in order that political reform moved forward that this development occur.

The government officials and the parliamentary officials from the equivalent of both the House of Commons the Senate concurred in saying that Canada has a vital role to play.

The association was pleased to see that earlier this month the Government of Canada had gone forward with its efforts. The association wants this House to know that further recommendations will be made at a meeting next week which the members will forward on to appropriate government ministers as well as to you, Sir. Canada's Parliament is really behind this movement in eastern Europe to democracy and increased human rights.

[*Editor's Note: See today's Votes and Proceedings*]

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COMMITTEES OF THE HOUSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there is a motion I would like to put to the House which has been discussed with House Leaders. It results from the splitting of the Committee on Communications and Culture, Citizenship and Multiculturalism and assists in the designation of exactly where the papers and reports, et cetera, which had been previously put to the entire committee, be placed in view of the fact that we now have two committees.

If my colleagues will bear with me, I will read it and then it can be put if we have unanimous consent. I move:

Routine Proceedings

That all outstanding orders of reference before the Standing Committee on Communications and Culture, Citizenship and Multiculturalism prior to September 27, 1989, shall be deemed referred, with evidence adduced in relation thereto, to the new appropriate corresponding standing committee; and that, all reports, returns and papers, deemed permanently referred to the Standing Committee on Communications, Culture, Citizenship and Multiculturalism, pursuant to Standing Orders 47(4) and 71, prior to September 27, 1989 shall be deemed permanently referred, with the evidence adduced in relation thereto, to the new appropriate corresponding standing committee.

Mr. Milliken: We consent to the motion proposed, Mr. Speaker.

Mrs. Mitchell: Mr. Speaker, we would concur with that recommendation.

* * *

Mr. Deputy Speaker: Does the hon. government House leader have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

VIA RAIL

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I have the honour to rise and present some petitions. Constituents of Winnipeg North support the citizens of Thunder Bay in their petition which I now present pursuant to Standing Order 36.

This petition has been certified correct as to form and content. Like the constituents of Winnipeg North, the citizens of Thunder Bay oppose the cuts to VIA Rail services for a variety of reasons, among them for the jobs that will be lost, the services that will be cut, the increase in environmental pollution and the likely increase in accidents.

The petitioners hereby pray that the announced cuts be rescinded and that the government instead increase the support to modernize equipment and thereby attract more Canadians to use the VIA Rail train service.

• (1210)

PROPOSED GOODS AND SERVICES TAX

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I would also like to present a number of petitions from Canadians from the Ontario area opposing the goods and services tax. They feel that this tax will impose an onerous burden on small businesses. They feel that this will impact negatively on low and middle income Canadians. Therefore, they seek the remedy from this House that Parliament reject the proposed goods and service tax.

[*Translation*]

VIA RAIL

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, pursuant to Standing Order 36, I wish to table a duly certified petition signed by people from Thunder Bay who object to the dismantling of VIA Rail.

[*English*]

RIGHT TO LIFE

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, it is a privilege for me to stand in this House today and present a petition on behalf of 6,600 Prince Edward Islanders who humbly pray and call upon Parliament to formulate and legislate a law to protect life from conception, a law which seeks to save the life of both mother and child.

VIA RAIL

Mr. Rex Crawford (Kent): Mr. Speaker, I am honoured once again to rise in the House and present several petitions on behalf of the constituents of the riding of Kent.

Pursuant to Standing Order 36, the attached petitions are certified correct in form and content. The petition is with regard to Via Rail and the petitioners are asking the government to please rescind its bill and continue with the rail service.

PROPOSED GOODS AND SERVICES TAX

Mr. Rex Crawford (Kent): Mr. Speaker, I also have petitions regarding the GST, requesting that the government not go forward with this tax.

FORESTRY

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I have the honour to present a petition, duly certified under Standing Order 36, from several hundred of my constituents. Those constituents recognize the value of the provincial–federal resource development agreement which has created jobs and replenished our forests in British Columbia. The undersigned encourage the Parliament of Canada to renew this important agreement with British Columbia and thereby provide for a renewed commitment to restocking our forest land, advancing forestry research, promoting silviculture and assisting the forest industry in developing new products and markets that will provide forestry jobs for the future.

[*Translation*]

VIA RAIL

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I have the honour of presenting a petition, in accordance with the provisions of Standing Order 36, on the subject of cutbacks at VIA Rail, signed by Canadians who strenuously object to cutbacks without prior consultation on the consequences.

[*English*]

DRIFT-NET FISHING

Mr. John Brewin (Victoria): Mr. Speaker, I have the honour to present a petition, duly certified pursuant to Standing Order 36, signed by 2,500 people on the issue of drift-net fishing.

The petitioners call on the government to stop the use of pelagic drift-nets in the north Pacific Ocean. The petitioners urge the government to move this item high on its agenda. It is a matter of great concern to people in my constituency and across Canada and we ask the government to act now.

PROPOSED GOODS AND SERVICES TAX

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, I have the honour to present a petition on behalf of Canadians, calling upon the government to withdraw the goods and services tax.

VIA RAIL

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have a petition from people right across western Canada who are members of Transport 2000 and Rural Dignity of Canada, who are petitioning the Parliament of Canada to

maintain VIA Rail, Canada's present national network, upgrade VIA Rail with new equipment, to pass a passenger train act giving VIA Rail a firm legislative mandate and, finally, to revise the costing arrangement with the railway companies.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I have two petitions. One of them is from a number people resident in Windsor, Ontario. They are concerned with danger to Canada's rail transportation and the government's stated intention. They pray and call upon Parliament to maintain, improve and modernize VIA Rail services in those areas of the country where they can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation.

LOW-LEVEL FLIGHT TRAINING

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I have a petition from a number of residents of Toronto, Pickering, Scarborough, West Hill concerned with the government's mishandling of the land that the Inuit live in in eastern Quebec and Labrador. They join with the Assembly of First Nations and the Inuit of Labrador and other aboriginal peoples of northern Canada in calling on the government to oppose use of those lands for NATO-NORAD attack training, to end all NATO-NORAD low-level flight training in Canada, to oppose establishment of NATO operations such as the proposed tactical fighter weapons training centre at Goose Bay, and to redirect Canada's NATO-NORAD funding towardss enabling Canada's aboriginal peoples to regain control of their lands and their livelihood, and promoting sustainable development for all Canadaians.

PROPOSED GOODS AND SERVICES TAX

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, my honour and duty on behalf of the citizens of the town of Asquith which happens to be in the constituency of the Minister of National Defence who point out that the government has not addressed the unfair taxation system that is presently in place, rather, it is increasing the unfairness of the system. They call upon the government to reject the current proposal for the goods and services tax and deal with taxation to make taxation of ordinary Canadians more fair than it is today.

Mr. Deputy Speaker: By consent, the Member for Miramichi.

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, I have other petitions to present as well. I have three of them here and they are all from Canadians protesting the unfairness of the goods and services tax. I ask that these petitions be received by the House.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker I am pleased to present a petition on behalf of the electors of Kingston and the Islands, many of whom have signed this petition objecting to the government's introduction of a goods and services tax which they claim is unfair and inequitable and wrong. They call on Parliament to reject the tax.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, pursuant to Standing Order 36 I present a petition duly certified on behalf of the constituents of the Western Arctic who fear the imposition of the 9 per cent goods and services tax.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I have the honour to present in the House today four petitions from residents of Scarborough, Metropolitan Toronto and vicinity. The petitions have been certified as correct. The petitioners call upon the government to withdraw the proposed goods and services tax for the reasons, among others, that the tax will cause higher inflation, higher interest rates and generally higher taxes.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, question No. 132 will be answered today.

[*Text*]

TRAINING SESSIONS FOR ADJUDICATORS

Question No. 132—**Mr. Heap:**

1. Do Refugee Board members and adjudicators work together on the first level hearing and, if so, were training sessions offered separately for members and adjudicators?

2. Within the Immigration Department (a) what person or persons conducted the training sessions for the adjudicators (b) what procedures were used to conduct these training sessions (c) what person or persons are responsible for updating adjudicators on changing world conditions as they affect refugee claimants at the first stage of the process?

Hon. Barbara McDougall (Minister of Employment and Immigration): 1. The adjudicator and the Refugee Board member share, equally, responsibility for determining a person's eligibility to claim refugee status in Canada and for deciding whether there is a credible basis for the claim. As the presiding officer, the adjudicator may, from time to time, consult with the Refugee Board member on matters of a procedural nature, which have a direct bearing on the initial hearing into the refugee claim. Aside from the initial hearing into the eligibility and credible basis of a refugee claim, the adjudicator has sole jurisdiction over the conduct of immigration inquiries and the resultant decisions.

In preparation for the implementation of the new refugee determination system, intensive training sessions were held for adjudicators and Refugee Board members. While these training sessions were held independently of each other, many of the resource persons who participated addressed both groups.

2.(a) Training sessions for adjudicators were designed and delivered by a team of Immigration Adjudication Branch staff, made up of the Acting Senior Analysis and Procedures Officer of Adjudication Headquarters, two Section Heads; one from the Quebec/Atlantic Division and one from the Pacific/Western Division and several adjudicators from the Toronto, Mississauga and Mirabel offices.

(b) Various techniques were employed in the delivery of training for adjudicators. These included lectures and presentations by resource persons and guest speakers representing various government and non-government agencies. The Legal Officer of the United Nations High Commission for Refugees (UNHCR) addressed adjudicators on the definition of a Convention Refugee. They also received a presentation and attended workshops in a session on "The Refugee Experience" given by a Resettlement Counsellor from the UNHCR. A number of presentaions were also given by representatives of the Immigraiton and Refugee board (including the Chairman), the Department of Justice and by various experts and executive heads from within Employment and Immigration Canada itself. Mock hearings were conducted and audio-visual presentations were also made.

(c) The Immigration Adjudication Branch provides adjudicators with ongoing training, including a national training program provided on an annual basis, divisional training on an annual basis, monthly section meetings and any other training deemed appropriate. Adjudication libraries in every office contain an up-to-date index of inquiry and refugee-related jurisprudence and other documentation and material relative to the function of the adjudicator. The Immigration and Refugee Board also provides the Adjudication Branch with copies of papers profiling the current conditions in contries known to be sources of refugee claimants. These papers are distributed to all Adjudication offices across Canada.

[*Translation*]

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

Mr. Deputy Speaker: The question enumerated by the parliamentary secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF FORESTRY

MEASURE TO ENACT

The House resumed consideration of Bill C-29, an act to establish the Department of Forestry, to amend the Forestry Development and Research Act and to make related amendments to other acts, as reported (with amendments) from a legislative committee; and Motions nos. 1,2,3 and 5 standing in the name of the Minister of State for Forestry.

• (1220)

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I take pleasure in rising to speak on this bill. My riding of Surrey North is one of the ridings in British Columbia that was founded on the forestry industry. On the north it borders on the Fraser River which has been the highway for the processing of lumber and plywood since the turn of the century. The foreshores of the riding are still the main booming grounds along the Fraser River.

In addition, we have a number of very large mills in the north part of the riding on the Fraser River. These have

changed over the years. Initially they were big lumber mills and now they are mainly shake and cedar mills.

The population of my riding Surrey North, of course, is basically a working riding. We have a large population who live in the riding and work in the lumber industry, particularly in the lumber milling and in the plywood. Therefore, the economic health of the riding is very much dependent on the continued success of our forest industry and our lumber industry.

I want to go back and look at the record of the last two governments as it relates to the development of forestry in British Columbia and in all of Canada. In the 1984 election campaign, the Conservatives said that they would bring in legislation to create a ministry of forestry. It has taken them five years to act.

I think that is indicative of the government's understanding of the vital role of forestry in this country, that it is not profound because if it really looked at the economic value that the forestry plays in this country—in fact, it is one of the mainstream industries that keep this country viable—it would have acted on its promise immediately.

There seems to be a lot more rhetoric on that side than there is action. The government talks about trying to look at sustainable development, but even as late as this summer, 55 per cent of Canadians did not believe the government was doing an adequate job when it came to environmental protection and sustainable development.

I think the record of the Conservatives in the forest industry has not been very good, but it probably is one step better than that of the Liberals. The Liberals were even much more blunt about it as their leader said in 1984, while he was in Prince George, which is one of the heartlands of the forestry industry in British Columbia, that they were against a full department of forestry.

The decline in the forest industry over the last number of years is a reflection of the lack of inaction by the two previous governments. I think we have to consider what the forestry industry in fact means to the Canadian economy.

In 1986 the forest products exports were $17.9 billion. Lumber exports were $4.1 billion. Paper and paperboards were $7.5 billion. Other forest products were an additional $1.4 billion. In 1987 the total exports were over $20 billion. This compares with farm products of $1.4 billion, fisheries of $2 billion, energy exports of gas, $5.5 billion, and metals of $6.2 billion. The percentage of export industry that is dependent on forest products is very high.

Fifteen per cent of all of our export trade merchandise in Canada is dependent upon the forest industry.

Canada supplies 23 per cent of the world's exports of pulp and paper and 23 per cent of the world's manufactured goods. When we are talking about our export market, we should realize we have let a lot of opportunities slip away on us because we have not developed the technologies and the industry around secondary manufacturing. The number of jobs that we sustain in Canada per unit of forest product harvested is not anywhere near what it is in many of other countries. I will talk about that again later.

In addition to the economic value forests have in this country, they of course are a very, very significant part of our ecology. They are the backbone that regulate and moderate temperature. They stop the erosion of soils. They are the habitat for our wildlife. They are part of our world-wide reputation for beauty and nature. Without them, of course, Canada would not only lose a tremendous amount of its economic wealth because of the export of lumber products, it would also lose a tremendous amount of its tourist trade which is dependent upon people coming to this country to see the exceptional beauty of our forests.

One of the things that disturbs me is that the funding for sustaining forestry has been eroding. This year $28 million less has been allocated than in the previous fiscal year. The Conservatives, while they are bringing in a ministry of forestry, are diversifying and confusing the funding for forestry. Instead of having the funding for forestry under the control of a minister of forestry, it is being chopped up all over the place. Some of it is going to the Western Diversification Fund, which means that the minister of forestry will have to go to another cabinet minister to get funds to provide the moneys that are necessary for reforestation. Furthermore, the number of reforestation projects that the provinces can undertake will be diminished.

British Columbia wants $300 million but the funds are not adequate and are not being granted under the Western Diversification Fund. The same thing is happening in the Atlantic region where instead of having it

under the ministry of forestry, it is in fact being put under the Atlantic Canada Opportunities Agency.

Sometimes you begin to wonder if there is a real commitment to forestry to sustain development or whether the government is trying to play political and public relations games using titles like the Western Diversification Fund and the Atlantic Opportunities Agency.

I want to talk briefly about Clause 7(c) which is dealt with in this group of motions, enhancing public awareness of social, economic, environmental benefits derived from Canada's forests. I think we are all believe that this is mandatory. We are concerned that it not become propaganda for the Tory cabinet ministers, but that the government will develop unique programs that are community-based, which will enhance the understanding of the total community, so that we can have the type of forestry programs that are necessary for economic development and for the ecology.

• (1230)

In order to improve on that section, I would like to make an amendment to Clause 7(C). I move:

> That Motion No. 5 be amended by adding following the word "forests" the words specifically concerning the value of sustainable development.

That clause would then read:

> "(c) enhance public awareness of the social, economic and environmental benefits derived from Canada's forests specifically concerning the value of sustainable development.

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

The hon. member for Comox—Alberni on debate.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I just want to deal briefly with the amendment. I am a little bit concerned that when the definition of sustainability appears in this act that it talks in general terms about how development today will preserve our options for the future. That statement with reference to this particular section of the act is far too general.

It is easy to sustain trees. As some foresters tell us, it is like planting a vegetable garden. You can plant the trees, fertilize the trees, cultivate the trees, space and thin the trees and in 70 years you are able to cut down the trees and start the process all over again.

That is what some people conceive as sustainable development in the forest industry. However, it sounds more like the practice of sustained yield that forest companies, foresters and people involved in the industry have talked about in the past. There is quite a difference between the principle of sustained yield, which we support here as well, and the principle of sustainable forestry. A forest is quite different from a collection of trees. A forest itself is a complex, living organism that is made up of trees, under-storey vegetation, insects and all sorts of animal life; its wildlife habitat, hydrologic resources, streams, waterflow, groundwater and microclimates and humidity. All of those things go to make up the forest as a complex organism itself which is quite a bit greater than the sum of its parts.

We are concerned that in the minister taking advantage of his powers under this section of the act that he is going to be talking strictly about the economic benefits of the forest industry and perhaps joining with some of the advertising programs that have been mounted by the forest companies, such as the "Forest Forever" type of programs which do not educate the public as to the problems that we have in preserving and sustaining our forests. My concern is that the minister be specifically empowered under this section of the legislation to talk about the specific concern of sustainability of our forests.

A few months ago the Brundtland report came down. Madam Brundtland and her committee suggested that something in the neighbourhood of 12 per cent of representative ecosystems be set aside in each country in the world in order to preserve a genetic pool that would be available in the event that we mismanaged our forests completely or we made errors in the way we managed forests. That has taken place in the past and continues to take place. The reason for Madam Brundtland's suggestion was that those areas of old growth forests be allowed to remain in order to repopulate the areas in which we made mistakes.

That is what I see as managing the forests in a sustainable way. It is quite different from managing trees according to the principle of sustained yield or sustained output. That is quite a different principle. We would like to make sure in this clause that the minister recognizes that as his responsibility from the point of view of

sustained yield, because we would all like to see our forest economy continue, and grow and thrive. We would also like to see our employment in the forest industry continue to grow and thrive.

I would like to see communities like mine, Port Alberni, Courtenay and Parksville on Vancouver Island, many of which are forestry based communities, or where people who work in the forest industry live and send their kids to school, continue to grow and thrive. They will do that if we manage our trees on a sustained yield basis.

Managing our forests is quite a different thing. It is absolutely obligatory on the part of this government and this minister in particular and the new ministry of which he will be in charge once this legislation is passed to also talk to the people of Canada and to emphasize to the provinces and to the people across this country the need to manage our forests, that complex organism I talked about before that is made up of trees, animals, hydrologic systems, climatic systems, wildlife habitat, and all of those things that are more than the sum of its parts. The minister has to talk about those as well and has to promote the continuation of those.

There is a problem in the management of our forest lands in this country today. As my colleague from Burnaby—Kingsway pointed out, there appears to be an inadequate process of environmental impact and assessment of forestry operations. There appears to be an inadequate public involvement process. As a result, the public does not feel that they as communities are adequately involved in forest land use decision-making. Other groups with equally important interests in forest management, those who manage wildlife, those who are involved in the tourist industry, those who have an interest in the forests as well, are not represented. As my colleague pointed out, the result of this has been land use conflicts all across Canada that have grown to be very, very bitter conflicts.

He pointed out one that took place in Clayoquot Sound where it resolved down to the union having to go out and sue in small claims court to recover wages lost from environmentalists who, with the best of intentions, were using civil disobedience to block roads in order to prevent road building taking place which they felt was a threat to the forests in Clayoquot Sound on the west coast of my riding.

I do not question the intentions of either side. The problem was that there was no legitimate public involvement process in land use decision making. There was no legitimate environmental impact or social impact process which would have protected and optimized jobs in the forest industry, jobs in the tourist industry and other interests in forest land use.

In the absence of that process, what could those people do? They felt compelled, desperate and they went in and blocked roads. As a result, they ended up being forced to pay the wages of the loggers who had lost their jobs. I might add, the loggers were equally desperate, their jobs were being threatened by that action. It is hard to blame either the loggers or the environmentalists.

What is to blame in this situation is the fact that this government has not demanded environmental impact assessment procedures from provincial governments even though federal resources are affected.

The other issue involves the native interests in our forest lands. We see the same kind of conflicts taking place in Quebec. For example, the Barrier Lake Algonquins were attacked by the Quebec riot police, with helicopters overhead. It was almost reminiscent of the situation in Afghanistan a few years ago. Those police, working on behalf and representing the interests of the government and the forest companies, refused any consultation with the Barrier Lake Algonquins. When they expressed their opposition in the only way that remained open to them through civil disobedience, the riot police were brought in. Their Chief was thrown in jail.

Today, as far as I am aware, absolutely no negotiation is taking place. In that case, the lands that are about to be logged are in a wilderness area, an area that was set aside to protect certain species of wildlife on behalf of both the native Indians of the area and the people of Quebec. Those things have been ignored by the Government of Quebec, and as a result native Indians have been thrown in jail. Those kind of conflicts are taking place all across this country.

• (1240)

Let us hope that government members will have had an opportunity to review the amendment, to give it some consideration and respond affirmatively to it because this amendment asks that the minister not only consider promoting the economic and the social benefits of our

forests and the forest industry but also considers sustaining the forest environment in our country which is quite a different thing from sustaining trees.

It is a good amendment. I am very pleased that my colleague moved it and I hope that the House will rise and support it.

Mr. Deputy Speaker: The Chair has received the amendment from the Member for Surrey North and neglected to propose it to the House at that time. I will do so now. Mr. Karpoff moved:

That Motion No. 5 be amended by adding the following word: "forest". The words specifically concerning the value of sustainable development.

SPEAKER'S RULING

Mr. Deputy Speaker: The Chair does find the amendment to be in order. At the same time, I was asked by the Member for Victoria to review my ruling concerning motions at the report stage on Bill C-29.

After careful consideration and listening to the convincing arguments for the Member for Victoria the Chair will allow Motion No. 8 to be debated and to be voted on separately.

MEASURE TO AMEND

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I am very pleased to have an opportunity to speak on this bill for the protection of our forests and, particularly, on this amendment, the first part of which originally came from the government to enhance public awareness of the social, economic and environmental benefits derived from Canada's forests, and now with the addition made by my colleague, the specific direction of concern for sustainable development.

This has been a concern of Canadians for a great many years and not only for those who live in the ridings where there are great forests or where people depend on the forests for their livelihood, although that is obviously a very, very major concern for those ridings and for that reason a major concern for all Canada because it is such an important part of our economy.

However, this has been a concern from the very beginning of Canada. In fact, one of the first persons to warn about the possible loss of our forests before Canada was even extended to its present sea to sea extent was Sir John A. Macdonald who said on June 22, 1871: "The sight of immense masses of timber passing my window every morning—", I suppose he was referring to the timber going down the Ottawa River "—constantly suggests to my mind the absolute necessity there is for looking into the future of this great trade. We are recklessly destroying the timber of Canada and there is scarcely the possibility of replacing it."

That was said 128 years ago by the first Prime Minister of this country. His warning does not seem to have been taken very seriously.

We are rapidly losing our forests as are many other countries in the world. We have been warned now that our forests are not just necessary to the economy, not just necessary for those who like hunting and fishing and camping or canoeing, but they are necessary for air.

We are warned about the dramatic losses of forest in places like the Amazon Valley, Indonesia and other areas not quite so dramatic, such as southern Chile where the Fascist government has sold off forest and mining rights so that the hills are absolutely denuded by strip mining and clear cutting.

We also find that the Soviet Union has now recognized that its forests are not unlimited and it is beginning to take thought for the preservation of them.

But in Canada it seems that in spite of Sir John A. Macdonald and others our forest industries are mainly allowed to be cut without adequate replacement and the government's replacement programs are not adequate.

In the riding I represent, the riding of Trinity—Spadina in Toronto, we do not have forests, certainly not forests for harvesting. We do have many trees and for that we have to thank homeowners of years ago and in our own time who planted trees on their private properties and the parks department that has a policy of trying to replace every tree with two trees. When one tree has to be cut down, the Toronto parks department in the city of Toronto attempts to plant two. That is good, but it is not nearly enough.

Just as one way of measuring it, it takes, so I understand, several healthy sized maple trees to replace in the air the oxygen consumed by one family automobile driven about 20,000 miles in a year. Now the exact figures can be refined one way or another but, in fact,

since we have a little more than one automobile per person in the city of Toronto, I believe we do not have enough trees to keep replacing the oxygen used by our automobiles. We depend on the rest of the country to supplement our oxygen. We depend on the forests of Canada to keep Toronto breathing.

As I said, we do not have forests in Toronto and we do not have many people directly dependent on the forest industry for a pay cheque. But my understanding is that every man, every woman and every child in Toronto from the moment of birth, wants to breathe and they want to breathe good air. It is becoming a problem in Toronto partly because of pollution from too many automobiles and partly because of so many heating plants. In most people's experience, the general temperature of Toronto has risen in recent years. There are just so many warm buildings in downtown Toronto.

Some people think we have too many people in Toronto. Some of the people came to Toronto because the trees in their neighbourhoods were all cut down. I lived from 1951 to 1954 in the Gatineau Valley where I was in charge of an Anglican parish. There practically all the white pine had been cut a generation or two before and people were then cutting the second and third growth for pulpwood. It is very difficult to keep the tree growth in balance with the pulpwood growth. When a tree gets to be four inches it is a salable pulpwood log.

Many of the people from the Gatineau Valley left the Gatineau, whether it was to go to Montreal or to Rouyn–Noranda or to Toronto because the saw logs, the lumber logs, were practically all gone and they could not all live off pulpwood cutting or such other small industries as there were in the valley.

So these people came to Toronto looking for work and they all expected to breathe. They have a right to breathe, and they have a right to work as well. But if we are going to destroy the forest they will not work and if we destroy enough of the forests they and we will not breathe.

It has come to the point where the scientists are warning us that we simply cannot continue to survive if we continue to destroy our forests.

• (1250)

This is the most serious concern I have and therefore I am very pleased that the governmebnt has undertaken to do some enhancing of the public's understanding of this matter. I hope that solid educational material will be put forward and not glossy brochures bragging about how much the government has done.

It can put forward information, for example, on more specific matters. For example, 62 per cent of the sugar maples in Quebec have been damaged by acid rain. At current rates the Canadian maple syrup industry will be dead within a decade. Some of us enjoy maple syrup, Mr. Speaker. No doubt we can live without it and possibly we would be even more healthy without various forms of sugar. But it is a $40 million a year industry. What are those people going to do when the sugar maple trees are gone?

It was reported this spring in British Columbia that cedar, arbutus and Douglas fir trees in some areas were showing signs of damage due to acid precipitation. This morning the Minister of the Environment seemed to say that acid rain was not a problem on the west coast. I am not sure I caught his exact wording but if he does think it is not a problem, perhaps he should talk to some of the people in British Columbia who are concerned about the Douglas fir and these other trees.

I want now to take up a very important related matter which I hope the government will include when it is doing its enhancement program and when it is advertising the need for sustainable development. The forest and the so–called rural areas of Canada in many places are bound up with the sustainable development of our First Nations. In many parts of Canada the forest is an industry that has been operating for, I suppose, 11,000 years by the people who have lived there without destroying it. They gathered what there was from the trees or the rivers or by hunting wild game or sometimes doing agriculture in small clearings.

However, they did not destroy the forests. The forests were there for thousands of years until we Europeans came. I believe one of the ways of preserving the forests so that we in Ottawa, or Toronto or in the other cities in Canada can breathe—I hope the government will take this up seriously—is to grant the land rights that

Canada's First Nations are still demanding and of which they have never been lawfully deprived.

In eastern Quebec, for example, the Innu or Montagnais people living around La Romaine are being harassed by the overflights by NATO. These overflights are bombing training for destroying the Soviet Union. In order to practise flying low under the radar they are destroying the way of life of about 9,000 or 10,000 Innu people in the land the Innu people call Ntasinan and that we call eastern Quebec and Labrador.

They are not only driving the Innu people out of their homeland, they are damaging the soil and the water with fuel pollution. They are damaging the trees, they are using parts of it as a bombing range, sometimes using dummy bombs, but soon if NATO goes in there they will be using live bombs. They are damaging the forests, disturbing the wildlife, polluting the rivers and turning it into a battle zone. This is the most extreme case in Canada. The government should be stopping this so as to protect Canada's forests in that area and the other areas.

There are Indian land rights which the Canadian Council of Churches are helping them to defend all across the northern parts of Canada. If this government is serious in the educating the Canadian public to the need for our forests in many different ways, they will include the need to protect Canada's First Nations in their responsible use of our forests.

There has not been very much education by this government or by any previous government on this matter of the land. Somehow or other the words of our first Prime Minister seem to be buried wherever he wrote them.

This amendment of the government to "enhance public awareness of the social, economic and environmental benefits derived from Canada's forests" with the subamendment to include "sustainable economic development" is certainly a very necessary thing to do. It is much more important than spending $40 million trying to sell the trade deal with the United States or however many millions of dollars the government is still planning to spend selling the goods and services tax. It would be far more useful to acquaint Canadians in our cities and in our rural areas with the fact that we absolutely need our forests. Those who never want to walk in a forest or paddle a canoe down a river in our forest areas need our forests because our cities will not survive without the oxygen produced by them and the other forests of the world.

This part of the bill I think is very commendable and I hope both the amendment and the subamendment will receive the support of this House.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I rise to make a few comments about Motion No. 6 which is before the House, and the proposal that the bill should include in the minister's responsibilities the power to enhance public awareness of the social, economic and environmental benefits derived from Canada's forests and specifically, according to the subamendment, to provide sustainable development.

I rise as a member from Saskatchewan, an area where I think it is generally not perceived in the rest of Canada as being a forested region. Yet the House should know that that riding of Mackenzie was virtually all forest originally and the forestry industry is still a very big part of the economic activity that goes on there.

As you may know, Mr. Speaker, Saskatchewan is not all prairie. Only about a quarter of the total area is prairie and the rest is a mixture of open land and parkland. After that the topography is solid forest until you get into the Canadian shield. So for northeastern Saskatchewan, which is the area I represent, the farmers who are still there, though they are becoming fewer in number, arrived faced with the prospect of good timber and turning that timber into lumber for shipment out of the region for use in building towns and villages and farm buildings. This was very much a part of the early life of that particular part of the country.

All of us who still live there have parents or grandparents who were involved in the forest industry, particularly in the winter time. There are still two very large plants in the town of Hudson Bay which rely quite heavily on the forest industry, with a plywood plant and a stud mill that are both still operating at this time.

The reason that I wish to speak on this subamendment which refers to the need for sustainable development is just that. In this town with two large mills employing just over 1,000 people directly and indirectly, we have been told that the stud mill will have to close in June next year because the forests are being depleted of large enough timber within a transportable area. That, combined with

the agreement to impose an export tax on the product from that mill, as part of the negotiations that led up to the trade agreement, leaves us in the forestry business worse off than we were before. We had free trade in forestry products before the negotiations began. After the negotiations we had a tax on our own products before we could export them. As a result, the decision has been made that the mill will be closed and many of the people employed in that particular corner of the province will be looking for other ways of making a living.

• (1300)

We do have some other options. The stud mill was basically using spruce and pine. There are great stands of poplar which do not have much use, other than to produce local timber. Local people understand the value of poplar wood, but we have not convinced other users of the benefit of it. There have been numerous studies and projects launched to decide what to do with all this poplar. There is now a proposal going through the region, the location of which, by rumour, will be in either Nipawin or Hudson Bay, to utilize some of that standing poplar and aspen by applying a new technology to transform it into pulp and paper.

If it comes to pass, it will provide some of the employment that will be lost by the closure of this stud mill, thanks in part to the decision in the negotiations leading up to the trade agreement. Perhaps the region may be able to save some of its jobs and find another way of utilizing some of the trees that are in that substantially forested area. The total forest is shrinking somewhat because of incursions of farmland, but the area that has been designated to be forest is still there. It needs perhaps better management so that we do not have the boom and bust kind of harvesting, where a large logging and timber milling company will move in to utilize the resource, then disappear for the next 30 or 40 years. That has too often been the case in that region.

I think it is important that the new department of forestry take cognizance of the need for sustainable development, as the amendment that is before the House now suggests. As well, I believe that the new department, as a federal department, should use its powers to enhance public awareness of the social, economic and environmental benefits to be derived from Canada's forests. I am not completely convinced that this new department will have very much power to do that. When I look at the powers that exist in the bill, as I read it, the new department will simply take over everything that fell through the cracks from existing agencies, boards and departments within the federal government.

We are all aware that most of the big economic decisions with regard to forestry tend to be made at the provincial level because the provinces have the jurisdiction over the production and harvesting of those forests within their own boundaries. Federal jurisdiction only applies when those products leave the provincial boundary. I suppose the main initiative for developing and establishing a department of forestry was probably pushed along most rapidly by the decision of the government in the last Parliament to establish the export tax on forest and lumber materials as they leave the country.

I think the industry had great difficulty finding a focus for their complaints to the government. Their thinking seems to have been that if there was a department of forestry, they would at least have had some place to focus their discontent. They were not happy with the results they obtained by dealing with the Ministers of the Environment, Agriculture, Trade and Commerce and any others who had a peripheral interest in the trade issue having to do with forestry and lumber products. So there was pressure to have a ministry of forestry and the Prime Minister was willing to expand his cabinet yet again.

The benefits that can accrue from this amendment are that the general public and presumably the provincial governments and the industry itself will be made aware of the benefits to be gained from participating in sustainable development. They will co-operate and provide the kind of regulation and management of our forests that will in fact have that result.

The resource that they are working with is extremely important to this country. Some of my colleagues have pointed out the importance of forestry and forests to the ecology and the environment of this country. As they have pointed out, more than half the total land area of Canada is covered in forests. In the 10 provinces alone, almost 80 per cent of the area is forested, approximately

four times the acreage that is used in agricultural land. As we drive through or fly over the country we cannot help but notice how large the harvesting process is. As we fly over British Columbia or northern Ontario, even parts of Saskatchewan, we see huge areas that have been laid waste as a result of the clear-cutting system we have in place. We can observe big bare spots on the landscape from one to five miles in the air.

Canadians have to be made aware of what that does when we clear huge areas like that. What happens to the local residents of small towns in the area when the resource that they are relying on for jobs is depleted? It is very difficult to continue strong economic and social units in those towns, to raise families, to establish churches and businesses, when the harvesting is done in such a way that forests are depleted and jobs are no longer sustainable.

I urge the House to support this subamendment and enhance the ability of the government to make people aware of how harmful that kind of development can be and how there are other options that we can adopt.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I am very pleased to rise to support the amendment put forward by my colleague which adds to the motion of the minister to enhance public awareness of the social, economic and environmental benefits derived from Canadian forests, the further requirement or onus upon the new ministry to enhance public awareness of the principles of sustainable development regarding our forest resources.

I am also very pleased to do this within the context of the bill as a whole, which sets up for the first time, I believe, in Canada, a full minister and department of forests.

• (1310)

Before I get into the substance of my remarks, I would like again to congratulate the minister. I know he has had this goal for some time. It has been a long gestation period. We are finally getting there and what we are trying to do by working together, and I believe I speak for all parties in this regard, is to try at this time to set up a full ministry of forestry to ensure that it has the strongest mandate possible in order to preserve and enhance an industry that has both historically and in terms of its economic contribution done more for Canada and Canadians than probably any other industry.

I am also very pleased to be addressing this particular amendment at this time because just last weekend in the city of Nelson, which is my home town, and one of the centres of my constituency of Kootenay West—Revelstoke, there was a conference called "Getting High on Nature". I think it will turn out to have played a very important part in increasing exactly this public awareness not only of the principles of sustainable development, but also the other mandates that are listed as being important functions of this ministry and department.

The conference "Getting High on Nature" was actually hosted by School District No. 7 which encompasses the city of Nelson and surrounding area. It was the brainchild of a Mr. Bob Harrigan who is a well known communicator, particularly in western Canada, on subjects related to the environment and more recently coupled with the phrase "sustainable development".

This conference included about 120 high school students and some 300 educators, both educational administrators and public school teachers from elementary and high schools throughout British Columbia and other provinces in western Canada. The key participants from across the country, some of them of international renown, dealt with a number of areas of environmental concern. I was able to be present at some of the ceremonial aspects of the conference between other responsibilities in the constituency and noted that regardless of which workshop—at least 20 or 30 workshops at which the educators and the students were working together to get a better grasp of the complexities of all of these issues—whether they were talking about soil, water or air, or any subject related to the environment, forestry always played a role.

There were, of course, particular workshops and a number of keynote speaks who dealt primarily with the principles of sustainable development and with the intricacies of the forest industry and its particular problems, but regardless of the single topic, forestry always played a part.

The minister will know, and anyone acquainted with the forest industry will know, that if you are talking about soil quality, a great deal of attention must be paid

to the impact of the forest cover on the build-up and maintenance of those soils.

When it comes to matters of irrigation and water tables, the preservation of a balanced forest is vital to that substance upon which our society depends for its very day-to-day existence. Of course in recent years, anyone with eyes to see and the ears to hear could not ignore the terrific impact that forest cover both in Canada and internationally plays upon the atmospheric environment, particularly in light of recent debates on the greenhouse effect and the dangers of global warming.

Of course many of the other discussions that took place at that conference dealt with the ongoing debate which is taking place between the various users of the forestry resource, whether they be loggers, fallers, sawmill workers, people in the plywood industry, hunters, naturalists, water users and other soil users. Everyone has a vested interest. The growing recognition by conferences such as the one held by Nelson last weekend or in the media generally in recent months, is that the principle of sustainable development means that those resources that we have always held to be renewable must in fact be made renewable. It is vitally important if we are to be able to derive a good living both individually and as a nation from that resource, or to be able to enjoy the recreational time that gives this nation and its people much of their own particular spirit.

Another event that happened within my own constituency recently I think also shows the importance of the coupling of environmental awareness and the economic importance of the forestry resource. The company which operates the pulp operation in Castlegar is now in partnership between certain Canadian economic interests and the Chinese government. The pulp mill in Castlegar recently announced a $630 million expansion program. It was interesting to note that in their public information release they suggested that one of the major reasons for that major investment at this time was the stricter and proper environmental standards that have now been imposed on the industry.

I particularly noted at the time that this release was giving strong credence to what many people have been saying for years, that a new awareness and concentration on protecting the environment in fact can create jobs. Here you have $630 million being invested, a doubling of production in an area of the province of British Columbia which has the highest proportion of decadent wood of any other part of the province, causing the doubling of pulp capacity in an area in which that wood supply had to be utilized in order to make room for new forest regeneration. We were very happy not only because of the jobs that were being created but because the expansion of that operation allowed us to utilize our resource in a much better way, and, as it turns out, in a much more environmentally sensitive way at the same time.

I was also happy because it allowed me to use that as an example. All of us who are concerned with the economic well-being of those communities and the people dependent on this industry, and I have been one of them for the majority of my working life, can use it to show that we can have a resource that provides jobs, that provides strengthened communities and looks after our environment at the same time, as long as we do it intelligently and with a view to the needs of the future.

I have been involved over many, many years in a number of attempts through public meetings, the use of theatre music, to try to bring groups together, be they be environmentalists or loggers. We have attempted to bring them together in forums in which they can begin to meet on some common ground, and it is not always easy. Any other members who happen to come from constituencies that comprise strong representation both of woodworkers and those with a very strong feeling for the natural aspects of our environment, will realize that being a politician for those kinds of areas is not always the easiest thing to do. You are trying constantly to get them to find common ground, to continue to talk with each other in a reasonable manner and to respect each other's roles. But it can be done. Take, for example, two of my best friends, both who come from my own area. One is Jack Munro, president of IWA Canada. The other is Colleen McCrory, who is president of the Valhalla Wilderness Society and one of the chief, so-called, "hired guns" of the environmental movement in Canada. Many ministers here shudder when they hear her name because she seems to be able to get appointments and get things done in half an hour that other people would take months to do.

• (1320)

If those two people and the people who work with them can agree with each other on the needs and principles of sustainable development, working together to build a healthy forest industry and a healthy Canada for the future, then it is possible. I hope that the minister will accept this amendment and we can proceed together to build a stronger industry, a stronger Canada and a healthy environment.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, support of the sub-amendment which specifically supports the principle of sustainable development in relation to the forestry industry of this country.

I will begin first of all by saying one never knows how much one appreciates anything until one has lost it. You would understand that if you came from the Nickel Belt. Unfortunately, I never did have an opportunity to appreciate the luxurious growth which did exist in the Sudbury Basin before the Chicago fire and before the development of smelting nickel. The folks who had lived there for a long time told me of the lush growth on the hills, the streams which ran through the hills, valleys, the streams filled with trout. One old gentleman told me that when he was a boy he would go with his father and fish for trout to bring home for supper, and he had just gone about a mile from where he lived in the small community of Coniston.

If you have been to the Sudbury Basin in the last 15 years, Mr. Speaker, you will know what I mean because we have lost our forests. We lost them because we were greedy—I am talking about the species—and cut down the trees. Everybody attributes that to the Chicago fire because the wood from the trees cut in the Sudbury Basin really went to rebuild Chicago after the Chicago fire. Then along came the smelting of nickel which was done on roaster beds. They would cut the logs down and pile them all up into a huge beds, then they would put eaves on the ends of these piles and then light a fire. The ore would smelt and the nickel would run off into the eaves and be collected.

As a result of that, the SO_2 finished off what little growth there was close to the ground. Once the growth was gone the wind removed the soil from the hills so that all we had was simply hills of bedrock.

We miss those forests. I think it really does detract from the quality of life. I know when people talk about the quality of life today we talk about food, the clothing we wear, the kind of houses we live in and the kind of cars we drive. But I think quality of life also speaks to the question of the environment as well because I think there is something very soothing about the forests. It certainly keeps man closer in touch with nature. So, we are attempting now to rebuild the forests. When I began my speech I said that in fact we do not know what it is like. We do not know what we have lost until we have actually lost it. We do not have it, and we want to rebuild it.

Today Canadians, as a nation, are much more aware of the importance of the forests in our country. I get letters from student groups in high schools who are pleading for me to intervene with the ambassador from Brazil, to write letters imploring him to cease the development in the Amazon Basin so that we can maintain the tropical rain forests. There is a heightened consciousness of the need to protect the forests, not only in the world but also in Canada. It is important to know in Canada, in particular, the importance of forestry to our country. Half of the total land area of Canada, 79 per cent of the area within the 10 provinces, is forested. Sixty percent of forest land is productive. Production of forest products in 1987 accounted for $38 billion. Only the food and beverage industry exceeded the forest industry's contribution to manufacturing in Canada.

In 1986 forest product exports were $17.9 billion; lumber exports were $4.1 billion; paper and paperboard, $7.5 billion; and other forest products accounted for $1.4 billion. In 1987 exports were up to $20.9 billion.

They provided Canada with a net balance of trade of $18.3 billion in 1987. Farm products in comparison accounted for $1.4 billion; fishery products, $2 billion; energy products including petroleum, natural gas, and electricity, $5.5 billion; metal ores and non-ferrous metals, $6.2 billion.

The forest product industries in this country account for 15 per cent of Canada's total merchandise trade. Canada supplies 23 per cent of the world's exports of pulp and paper, and 23 per cent of total exports of manufactured forest products. There are 840,000 persons employed directly or indirectly in the forestry industry, representing 7.4 per cent of all working Cana-

dians. The forestry industry provides the economic base for more than 300 single-industry communities across Canada.

Apart from that economic contribution, I think it is important to recognize that forests have a direct impact on the weather, something I think we have ignored in the past. The forests regulate the stream flow. I mentioned what happened in our area. Once the forest disappeared, the streams disappeared. Forests minimize soil erosion. I described what happened in our own area. It protects fish and wildlife habitat, and, of course, improves air quality.

Rain forests, together with oceanic plankton, account for 90 per cent of the world's photosynthetic oxygen. Yet I am absolutely amazed of how we waste our forests. Foresters who work in the bush in northern Ontario tell me I would be amazed at the waste in the bush, the slashing of trees and logs left that could not be hauled out.

• (1330)

You can go through parks just north of my riding where there was inappropriate husbandry of the forest. It was slash and run. There was no reforestation. Provincial governments entered into cosy deals with forestry companies. That was the whole reason for the countervail by the Americans on softwood lumber. The stumpage fees were not high enough, they charged. It was notorious in the province of Ontario that the stumpage fees charged were not sufficient to reforest what was being cut by the private sector. There was absolutely no consideration of the harm being done to the environment.

I want to say to the minister that I am personally pleased that we are finally going to have a department of forestry, promised in 1984, delivered in 1989. The Liberals would not touch it, of course. After 20 years of Liberal rule, the Liberal governments did not even recognize the importance of having a ministry of forestry. We have a ministry of fisheries and a ministry of energy and mines. But here is the most important resource to the economic well-being of this country as well as its aesthetic well-being and yet it had no ministry. I want to say to the minister that we support this bill, we support this subamendment, we are pleased that we will have a ministry. I am sure the trees are happy. I want to tell the government that I am going out to hug a tree.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I say to my friend, not only are the trees happy, but if you listen, the wood is happy too. I say that to my good friend from Nickel Belt all in jest.

I support the bill wholeheartedly, without reservation. It is a good idea. The minister was there a minute ago. I am sure he is hanging on to every word I am saying while out there. It is a good idea, I say to him, because one in every ten jobs in Canada is generated by the forestry industry. That is a figure we have heard on a number of occasions in this House and so we should because I submit that part of the problem in terms of the lack of profile that forestry matters have had in government and in attracting the attention of decision-makers is that politicians of all political stripes have not cottoned onto or tuned into the marvellous impact for economic good that the forestry industry has in this country.

A few years ago when the Hon. John Roberts was the minister responsible for forestry, I had the good fortune to be his parliamentary secretary for a couple of years. In that capacity, I got to know some of the people in the forestry industry, right from British Columbia to Newfoundland. The forestry industry, of course, is extremely well served and the country is well served by the calibre of people who are involved in the industry, both in terms of the government bureaucracies federally and provincially and in terms of people who have chosen to invest in the industry and who work in the industry.

I do not want to delay the passage of this legislation. That is not my purpose in rising. It is just to get on the record one or two concerns that I have and then I want to give notice to whoever on the other side is piloting this legislation through the House that I shall be finished speaking in just a very few minutes. Oh, there is the minister. I say to him and his colleagues that it is my intention to get a couple of things on the record and then hopefully assist the administration in getting this good piece of legislation moving through the stages before we rise for the day.

I have the honour to represent a riding called Burin—St. George's. In the center of that riding geographically there is a bit of geography known locally as "Bay Despair". For the francophones among us, you would probably pronounce the it "Baie D'Espoir". It is a tribute to the Newfoundlanders who live there that they are able to take what is a foreign language term and put it into very translatable idiom, particularly given the local

situation where the unemployment rate is of the order of 80 per cent.

Why is unemployment that high in that particular area? That is the highest unemployment rate of any geographical pocket in Newfoundland and, indeed, just about the highest anywhere in Canada. The term "Baie D'Espoir" in French means Bay of Hope. The story behind it is that when some people were lost at sea they thought their number was up and then realized that they were up a long bay and hence, they called it Bay D'Espoir. For them, it was exactly a place of hope.

In Bay Despair, as we call it, why is it that the English corruption of the name so accurately reflects the reality in that particular area? The reason has to do with forestry. If you go back over many years, you will find that in Bay Despair on the south coast of Newfoundland, the communities of St. Alban's, St. Joseph's, St. Veronica's, Bay Despair, Milltown, Morrisville and to a degree Conne River, the 6,000 people in those communities came to rely over many years—going back around to the turn of the century and before and until the late 1950s, about 30 years ago—on forestry as a generator of economic activity and a source of employment.

In the later part of that period ending in about 1957 or 1958, these people used to actually harvest wood which was shipped from Bay Despair to England as pit props to prop up the underground mining facilities in Wales and southwest England. Of course, before that, they also used to cut logs which were boomed and taken by boat around into the paper mill at Corner Brook, quite a long voyage by water for those of you who know the geography and the distances involved.

Here is my point. The Bowater Company was the company harvesting the wood for both purposes, the local paper manufacturing purposes and the export of pit props. Once Bowater ceased its operation there, what did you have on your hands? You had literally hundreds of people, mainly men, who had skills in harvesting wood which were no longer marketable because there was no longer any need for harvesting wood. You had a whole generation of people who were quite skilled at harvesting wood, familiar with the technology of the day but had nowhere to market their skills. Those people over time went to Labrador, to other parts of Newfoundland or to various parts of the Canadian mainland to find jobs where they could.

I come to the early 1980s. The government of the day, the great Liberal government of Mr. Trudeau of which I was pleased to be a supporter introduced a forestry economic stimulation program, FESP for short.

Mr. Thompson: Festering?

Mr. Simmons: I think the member is coming awake. I didn't quite get what he said but—

An Hon. Member: He's one of your colleagues.

• (1340)

Mr. Simmons: No, it was not one of my colleagues. It was one of the rump group that sits up there. They are supporters of the government but reluctant supporters so they sit well up on the far end of the Chamber. We meet here every day at this time, and you should really drop in more often.

I want to conclude on the point I was making, because I would like to leave the minister some time to make his remarks, if that is his wish. I want him in particular, if he would, to consider addressing the issue I just introduced—the issue of the Forestry Economic Stimulation Program, the so-called FESP. I have just spent some minutes describing to the Chamber the situation in Bay D'Espoir, why the unemployment rate is high. In capsule, it is because many people there have forestry skills and nowhere to market them.

For a brief period in the early 1980s they were helped by this government through the special FESP program. They were able to engage in various activities—silviculture, thinning, various functions which were related to their forestry skills. It provided much needed employment, but equally to the point it gave an opportunity for us to regenerate our good forest stands in that particular part of the country.

I see my time is up. I make a plea to the minister to indicate to us whether he has given some thought to restoring that kind of a program for the sake of our forests and at the same time to creating some employment opportunities in that particular area as well as the St. George's area of my riding which also benefited from the FESP initiative.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on the amendment to the amendment on Motion No. 5, standing in the name of the hon. member for Surrey North.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it. I declare the subamendment lost on division.

The next question will be on Motion No. 1. A vote on Motion No. 1 will apply to Motions Nos. 2, 3, and and 5. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motions Nos. 1, 2, 3, and 5 agreed to.

Mr. Deputy Speaker: The next motion is Motion No. 7 which will be debated and voted on separately.

Mr. John Brewin (Victoria) moved:

Motion No. 7.

That Bill C-29 be amended in Clause 10 by adding immediately after line 31 at page 3 the following:

"(3) The report shall include but not be restricted to information on forest employment, an inventory of Canada's forest lands, a review of new forestry-related products, a survey of environmental standards being applied by the forest industry, trade issues and figures and the integrated use of our forests."

He said: Mr. Speaker, just a quick word on this motion which stands in my name, but in spirit it is the motion of the member for Prince George—Bulkley Valley who has been the very effective New Democratic critic in the forestry areas. He has worked very hard with the minister on this bill and is generally in support of it.

This particular amendment comes from that member, and I am very pleased to move it in the House. The amendment has this effect: clause 10 of the bill provides that the minister is to file annually a report showing the operations of the forestry ministry and is to include an account of the condition of forest resources of Canada and their contribution to the Canadian economy.

The amendment, which I hope and understand will be accepted by the government, is to provide for a further outline of what is to be included in the report. It is to include information on forest employment; an inventory of forest lands, which is very important; a review of new forestry related product; and a survey of environmental standards, trade issues and the integrated use of our forest. On behalf of our party I am very pleased to move this amendment.

[*Translation*]

M. Réginald Bélair (Cochrane—Superior): Mr. Speaker, very briefly, I support the amendment proposed by the New Democratic Party because I agree that an inventory, integrated use of our forests and new forestry-related products would be desirable. Of course, integrated forest management is imperative, although the amendment is similar to the section that deals with establishing a national data centre. We agree to support this amendment.

[*English*]

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 7 standing in the name of the hon. member for Victoria. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 7 agreed to.

Mr. Deputy Speaker: The last motion at report stage is Motion No. 8.

Mr. John Brewin (Victoria): moved:

Motion No. 8

That Bill C-29 be amended in Clause 18 by adding immediately after line 46 at page 6 the following:

"(g) the use of pesticides and pest control products; and

(h) the preservation of culturally altered trees."

He said: Mr. Speaker, again the motion really comes from our critic in this area, the member for Prince George—Bulkley Valley.

Before I launch into a passionate defence of this addition, I would like to thank you, Mr. Speaker, for your ruling earlier today which has permitted us to have this as a separate motion. I appreciate very much your ruling on that point.

I will not take long because we wish to accommodate the minister, at least to some extent, by allowing him a few minutes on third reading.

Let me just say that we believe it would be a very helpful amendment to include in the specific regulations that Cabinet is entitled to pass a provision that the Cabinet may in this area regulate the use of pesticides and pest control products, as well as the preservation of culturally altered trees. The very language speaks for itself. It is an important amendment, and I would hope that the government would feel it can accept the amendment.

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, very briefly, I am reluctant to ask my colleagues to reject this amendment, perhaps for the same reason that the Chair had earlier decided not to accept it.

In dealing with pesticides and pest control products, it would be reaching into the mandates, authorities and jurisdictions of other departments of government and the provinces. I really do not think that this particular amendment would do much to strengthen the bill as it is or add to the mandate that has been assigned to the new ministry. I would ask my colleagues to reject this amendment and would ask for their understanding.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

Some Hon. Members: On division.

Motion No. 8 negatived.

• (1350)

Mr. Oberle (for the Prime Minister) moved that the bill, as amended, be concurred in.

Motion agreed to.

Mr. Oberle (for the Prime Minister) moved that the bill be read the third time and passed.

He said: Mr. Speaker, I want to take a few minutes, in concluding the affairs of this bill before the House to re-establish the Department of Forestry, to express my gratitude and that of the government to all those who have contributed to the debate throughout the country, those who have appeared as witnesses before the legislative committee including the Canadian Institute of Forestry, forestry advisory councils and all the various agencies which have an important stake in our forests.

I also want to thank my colleagues and friends in the opposition parties who have approached this debate with a spirit of co-operation and enthusiasm, all of which reminds us of the fact that our forests are an ever-increasingly important component of life in Canada, critically important to our economy.

My colleagues have spoken, on second reading and again in support of the amendments before the House, of the regional importance of forestry and its importance to trade and to jobs. I do not wish to take time to reiterate all that.

We also talked about new dimensions that are be equated with our forests today—the environment, the ecology, and the concept of sustainable development which is so critically important particularly to forestry, not just because it is important to restructure and reconfigure the industry so that it can be less harmful to the environment through the discharge of chemicals and agents into the environment but to the management of the forests themselves, which as we all know now are perhaps the most critical element of our ecological

system. It is said that our forests are the lungs of the globe.

I would anticipate that the new Department of Forestry will not suffer the same fate as predicted by some, as did the mandate that was established back in 1960. Today we are looking at our forests in a much different light.

One of our poets said some time ago that of all of nature's scenes it is the woods where she reveals her deepest secrets and bestows her greatest blessings and riches. How true that is when we look at it in the context of this debate.

Even in Canada there are limits to what the forests can produce for us if we do not take proper care. We will, of course, never run out of trees in Canada. Even in my province where 60 per cent of the economy is dependent upon our forests, we only use less than 30 per cent of the land base for commercial conversion. The rest is perhaps not as accessible economically or is so-called scrub or weed variety. Nevertheless those forests too are critically important to the environment. We are facing some very critical problems and some tough decisions have to be made.

We are engaged in serious conflicts over the use of our land, the need to set aside for environmental purposes certain critical areas that are ecologically sensitive. Of course we are required to respond to new demands for industry.

In the past I can recall reading in *Hansard* the words of Right Hon. Prime Minister John George Diefenbaker who pointed out in 1960 that it was estimated that industry would double in its capacity and its shipments over the next 15 years. Conservative as the then Prime Minister was, he was even too conservative in making those predictions because we went much further than doubling the output of this important industry. Today we have data and evidence which would indicate that over the next 20 years the industry will double again. Already we are the world's largest shipper of construction lumber, and we are playing the most important role in trade in many of our forestry products.

We are adding 100 million new people to the world's population. All of them will lay a claim to the scarce resources and, of course, the potential for growth in the forest products industry is increasing at exponential rates. I predict that the present estimates are conservative again and the industry will require more fibre every year if we are to retain the share of our world markets that we have carved out for ourselves and indeed realize the potential we have to enlarge our market share. The countries with which we compete in world markets have very much reached their potential for increased yield and growth in their forests, harvesting second, third and fourth generation forests and having shifted to much more intensive management than we had to in the past many, many decades ago.

It is predicted by our scientists that we can get up to three times the volume of fibre if we shift to more intensive management modes. Really what this bill is all about is helping our industry make this transition, helping our industry improve its market share but helping our industry reshape its attitude toward our forests to the point where important business decisions are made not in accordance with market opportunities or the availability of investment capital but in accordance with the fibre that is available.

That requires us, of course, to equate all of the various concerns and all the various aspects of forestry. It means we will have to shift to more intensive management of those forests we have allocated for commercial conversion. It means that we have to look at other aspects such as tourism which comes to mind.

Tourism is an ever-increasingly important industry in our province of British Columbia, the second largest industry and growing. Our forests are the backdrop of the tourism industry so we have to keep that in mind and manage our commercial forests in a way that they provide an asset to that important sector.

Likewise wildlife, the streams and fresh air have to be considered in all of these equations. There has to be a refocusing of our research efforts, a mobilization of the combined efforts of everyone that has a stake in our forests, indeed, every individual Canadian, because our forests are very much a part of our psyche. They are part of our nature.

When you travel and mention the word "Canada", it is immediately related to forests, to tall trees, to the prairies, and some of the other assets we have.

As my friends on both sides of the House have repeatedly pointed out, we have a custodial responsibility, not just to future generations of Canadians, but to those throughout the world. It has been said—and I said it in my earlier remarks during second reading—that over the last 10 years the area that was populated with trees has declined on a global scale from 25 per cent to just over 20 per cent. If we allow these trends to continue, our own children would experience a complete depletion of the world's forests. Without forests the planet cannot be sustained and certainly life on the plant could not be sustained.

We have a custodial responsibility to the rest of the world to manage those assets which we claim as ours, claiming sovereignty over an area which is the world's second largest with the assets that we have. We have one-fifth of the world's fresh water, which our forests help to cleanse and replenish.

• (1400)

In conclusion, I would just like to say once again, thank you for the co-operation that we have received and thank you to many of the stakeholders in the forest community throughout the country for allowing us to take this important initial step to redefine the role of the federal government and give me an opportunity to exercise the leadership that the Prime Minister has mandated me to exercise through our country to reaffirm the concept and the spirit of the idea of sustainable development to ensure that our forests are able to meet the needs of the present generation without compromise to the future.

Mr. Deputy Speaker: It being two o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

ROYAL CANADIAN MOUNTED POLICE

DRESS CODE

Mr. Svend J. Robinson (Burnaby—Kingsway) moved:

That this House express its support for the decision of the Commissioner of the RCMP to revise the Force's dress code to allow Canadian Officers of Sikh origin to wear turbans, to more fully reflect the multicultural reality of Canadian society.

He said: Mr. Speaker, I am very pleased to rise at this time to speak on this very important motion at a particularly significant time for the discussion of this question.

I want to just again read out the terms of the motion before the House. The motion reads:

That this House express its support for the decision of the Commissioner of the RCMP to revise the Force's dress code to allow Canadian Officers of Sikh origin to wear turbans, to more fully reflect the multicultural reality of Canadian society.

I want to emphazise that this motion in fact supports a decision that was made many, many months ago, some 18 months ago in fact, by the Commissioner of the RCMP, a decision which has not yet been implemented by the minister responsible, the Solicitor General.

I want to as well take this opportunity to emphasise the hard work of all of my colleagues on this issue and to single out in particular a number of those colleagues who, hopefully, will have an opportunity to participate in this debate and who have asked that their support be acknowledged. They include the member for Surrey North who in fact made a statement in this House some weeks ago urging the minister to act; my colleague, the member for Vancouver East, our spokesperson on multiculturalism, who I am hoping will participate in the debate; my colleague from Kootenay West—Revelstoke; my colleague, the spokesperson on the ministry of the Solicitor General, the hon. member for Victoria; and many others. Indeed I speak, I say with confidence, on behalf of all of my colleagues in the New Democratic Party in supporting this very important motion.

Earlier today my colleague from Victoria questioned the Minister of Justice as to when he would finally move on this important issue. The Minister of Justice indicated that the Solicitor General was studying the issue, that he would be consulting and that there would be a decision in what he called the very near future. Last June the Solicitor General said that he was "in a consultation process with my caucus and everybody." In September he said he was "still consulting".

This minister has abdicated his responsibility and his leadership in this very important area. In fact, I would have to ask with whom is the minister consulting? We know that he is a part-time minister, that he is also responsible for agriculture and that he has political responsibilities in the Quebec area. How much longer must we wait before leadership is shown in this important area? Why is it that despite repeated requests by the Federation of Sikh Societies to meet with the Minister to discuss this important question, he has refused to meet with these representatives?

I have a letter dated June 19 which was sent by Mr. Mohinder Singh Gosal, the President of the Federation of Sikh Societies of Canada, urging that they be given an opportunity to meet with the minister to discuss this question. Despite repeated attempts, the minister has refused to do so.

Who is the minister listening to? With whom is he consulting? It seems, because of the delay, that perhaps he is listening to the voices of some of his colleagues in the Conservative caucus, what I would call the dinosaur wing of the Conservative caucus, certain Alberta members of Parliament; the member for Wild Rose and the member for Calgary Southwest, who have suggested that this very important recommendation by the Commissioner of the RCMP should not in fact be implemented.

I know that there is division, discontent and confusion on that side of the House, but today we have an opportunity to send out a very clear message as a Parliament to the people of Canada who are watching this debate, not just the Sikh community, but all Canadians, as to our view. Will it be the view of the member for Wild Rose and the member for Calgary Southwest? The member for Wildrose is quoted as saying that "in western Canada the RCMP mean a lot to us", and they do of course, "and the uniform does. I want to keep it as it is." She went on to say: "Something must be done if we are to keep it forever as it is now".

Let us look at the history of the RCMP uniform. The Northwest Mounted Police were founded in 1873. If we are to look at the traditions that the hon. member has spoken of, the tradition was a pillbox. Does the hon. member want to go back to the days of the pillbox? It was in 1900 that the stetson was brought in at the urging of prairie members of the RCMP because of concerns about the sun.

Indeed, Mr. Speaker, back in 1873 and 1900, there were not too many members of the RCMP who wore skirts, nylons and high heels, at least not on duty. The reality is that the RCMP has changed with the times.

I would have hoped that the minister responsible for multiculturalism might have drawn to the attention of the Solicitor General the fact that the changes have been made. Instead, the minister responsible for multiculturalism has been silent while some of his Conservative colleagues have been fanning the flames of hostility and intolerance. That is shameful.

I suggest that we have again an opportunity in this session this afternoon to speak out and voice our concern about this kind of attitude. It is an attitude which has unquestionably led to a rise in the incidence of violence, hatred, and intolerance directed at the Sikh community, particularly in Alberta, where those members are fanning these flames.

Another Conservative member of Parliament, the member for Calgary North, has said that the tabling of these petitions has given rise to unfortunate incidences of prejudice and racism in Calgary. Ron Chahal of Calgary, the president of the World Sikh Organization, has said the frequency of obscene gestures directed at Sikh motorists by other drivers has gone up. That is the kind of atmosphere which is being promoted, whether deliberately or otherwise, by the attitudes of the hon. members.

We have seen shameful badges which have the head of a Sikh in a turban and say "ban this". That kind of badge has no place in a civilized society, and certainly no place in Canada.

I have asked why the minister responsible for multiculturalism has been silent. Understandably, the Sikh community is raising concerns in a more general sense as well. They are asking if perhaps this is part of a more general lack of understanding and concern about issues affecting this proud community, a community which has contributed so much to our society.

For example, there are deep concerns about the way in which the Air-India disaster has been dealt with and the fact that we are still waiting for a comprehensive inquiry into that terrible disaster which resulted in the loss of 329 lives and which also resulted in the blackening of the reputation of an entire community by certain unforgivable actions of CSIS and others.

Why has this government and this minister not spoken out on the serious violations of human rights affecting the Sikh community in the Punjab and affecting Canadians of Sikh origin in the Punjab? Why has the Secretary of State for External Affairs been silent on that? Why no effort to improve the very difficult problems of immigration, for example, with an additional consulate in the Punjab? Why no grants to the community for over three years? Why no amendment to the Human Rights Act to include the provision for reasonable accommodation which is so important to make that a reality?

• (1410)

I suggest that instead of listening to the narrow-minded and intolerant voices of the minister's Conservative colleagues from Calgary, he should be listening to the Commissioner of the RCMP. The Commissioner of the RCMP, when he was questioned in the justice committee earlier this year, strongly supported this change. He said that the face of Canada is changing and he felt that the RCMP, because it has always had representatives of the country it has served in its ranks, needed to attract people from visible minorities and aboriginal peoples.

We have much work to do in that regard. In fact, of the 14,843 members of the RCMP, 14,418 are caucasian and only a little over 400 out of 14,843 are non-caucasian, including aboriginal peoples. That is a record which has to be changed. That was one of the reasons why the Commissioner of the RCMP made this important recommendation. The Commissioner of the RCMP went on to say that there are other more pragmatic reasons. He pointed out that when the Air India investigation led to certain questions there were only two members of the RCMP who even spoke Punjabi. Even for those practical reasons the RCMP must welcome into its ranks and encourage the hiring of Sikh Canadians.

The Commissioner says as well that we need members who can bridge the psychological gap that sometimes exists between new Canadians and police and how we view police in this country. We need to be able to help them with their problems, to carry out our investigations in an effective way and to deliver to them a police service to which they are entitled. He goes on to note that to deny Sikhs the right to wear turbans would in fact be in breach both of the Canadian Charter or Rights and Freedoms and the bona fide occupational provisions of the Canadian Human Rights Act.

Why does the minister not listen to the Commissioner of the RCMP who has made this very important recommendation? Why did he not accept that recommendation some time ago, before the flames of intolerance could be fanned by a number of hon. members opposite?

I want to say a couple of words about the significance of the turban in the Sikh religion because some people say this is just a question of tradition. This is not a question of tradition, it is not a question of a particular cultural artefact. This is a fundamental article of faith, an essential element of the Sikh religious faith. Indeed, there are five articles of faith: the kes, the kanga, the kirpan, the kara and the kachha. Each of these is a fundamental article of faith.

One of my correspondents has written to me with some background. He says that the turban is known in the Punjabi language as the pag. He said if we study Punjabi culture and Sikh religion, the folk songs, the proverbs and the sayings, we see that the word "turban" is used as a synonym with the words "honour of a person". So a turban is not just a head cover or protection of the hair and head, it is also regarded as a fundamental part of the honour of the Sikh that he must guard at all times at any cost. In fact, removing the turban from a Sikh's head is seen as dishonouring him. It is a fundamental part of the religious tradition and surely we must recognize that and respect it.

Indeed, I care far more about what is inside the head of a member of the RCMP than what is on top of it. If I am in a situation in which I have to call upon the RCMP for assistance, I do not care if they have a turban on their head or a stetson or anything else. I want someone there who is sensitive and able to do the job, as members are in these circumstances.

We are talking of a turban, in the case of members of the RCMP, of a particular nature. In fact, the RCMP turban is made of navy blue cloth and it has a strip of yellow cloth which is wrapped around it. There is a metal brooch of the RCMP emblem similar to the pin worn in the standard uniform cap which is attached to the front of the turban. It is a dignified and appropriate way to accommodate this very important request.

I want to note as well that we would by no means be the only jurisdiction to take this very, very small step because, after all, that is what it really is. The United Kingdom, for some time, has allowed all members of the police force of Sikh origin to wear the turban. In fact, Mr. Speaker, when we talk about tradition there are not many traditions longer than the tradition of the London bobby. Yet London police of Sikh origin are permitted to wear the turban and it has not resulted in any difficulties whatever.

The Canadian Armed Forces have changed their regulations to allow a turban which, again, is an appropriate colour and design, to be worn by members of the Canadian Armed Forces. Similarly, the metropolitan Toronto police force and the Edmonton police force have incorporated this important tradition, have incorporated this important element of religious faith, because it is not just a tradition.

I am very pleased that we have a number of representatives of the Sikh community in the House today. As has been pointed out by representatives of that community, any baptized Sikh would not be able to join the RCMP if he is not allowed to wear the turban. There should not be any fear that Sikhs will somehow destroy anyone's heritage, culture or beliefs. Sikhs simply want an opportunity to serve their country, our country, in the best possible manner while their religious faith is being respected. That is what this is all about and that is why it is so important that we take this opportunity this afternoon to send out that message.

I will conclude because I do want my colleagues to have an opportunity to speak on this question. In closing, I think it is important we recognize that we have an obligation to show leadership here. Parliament has an opportunity this Friday afternoon to send out a message of confidence in our country, a message that we celebrate the diversity of our country. We have an important opportunity to send the message to the Solicitor General who has waited far too long to come to a decision. Let us demonstrate leadership in this area.

I appeal to all members of the House this afternoon, those who might think of talking this motion out, to think twice, because those who would talk the motion out are going to have to explain, not just to Sikh Canadians, but to all Canadians why it is that they are not prepared to celebrate the diversity of this country and not prepared to accept this very important recommendation of the commissioner. As the clock approaches three o'clock, we will be watching with great care to see if any member of this House actually insists on blocking this bill. For those who are not familiar with the procedure, if there is a debate continued at three o'clock that means there cannot be a vote of this House, that this House will not have an opportunity to speak.

So once again I appeal to all members of this House to let the House speak this afternoon on this important question. Let us take a decision. Let us accept this fundamental recommendation of tolerance and hope for all Canadians.

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, the Member for Burnaby has presented the House with a question relating to proposed changes to the uniform of the Royal Canadian Mounted Police. The potential introduction of the turban as part of the red serge Mountie uniform has elicited a very strong reaction from many Canadians across the country, both for and against the idea.

Many of those who are arguing against change are adamant that their position is not reflective of a desire to exclude individuals of Sikh origin or, indeed, any member of a visible minority group from joining the force. Rather, they are interested in preserving the red serge uniform as a symbol of Canada's history and tradition.

The most common question being asked in western Canada is, why surrender our tradition for another tradition? It is common knowledge that the wearing of a turban in the Sikh society is based on tradition and custom and not on religious grounds. The obligatory tokens of the Sikh faith are the five *Ks*, the Kes, the Kara, the Kirpan, the Kanga and the Kachha. Whenever we read a newspaper or listen to a newscast these days, we hear more and more about our distinct society and the preservation of our Canadian culture. The unity of this country has even been challenged when reflecting cultural desires.

• (1420)

While Commissioner Inkster may have had good intentions, I think this proposal for change was for the worst possible reason. If you make an exception for one group of people, where do you stop? In order to come to a satisfactory resolution of this issue, I believe it is important to understand why some members of the

public are so concerned about possible changes to the red serge uniform. To do so, both the history of the force and of the uniform must be examined.

The idea of a mounted police force originated in response to a need to establish law and order in the northwest in advance of any settlement. The solution of Sir John A. Macdonald was the creation of a paramilitary police, trained for the warfare, with preliminary civilian responsibility. Its model was the Royal Irish Constabulary. Accordingly, in 1873, the Dominion Parliament passed legislation for the establishment of a mounted police force for the Northwest Territories to be known as the Northwest Mounted Police.

Three divisions of 50 men each were mobilized at Fort Garry, Manitoba, where training and organization took place during the winter of 1873. Recruitment proceeded and reached a strength of 1,000 by the year 1885.

Once established in the northwest, demands upon the force increased. Members supervised trading practices, provided some relief and medical services to the Indians and they carried out patrols throughout the area. In addition, the force had an economic and cultural impact on the west as many members, upon leaving the force, made the west their home.

Furthermore, by the start of the Klondike gold rush in 1896, the Northwest Mounted Police was already established in the Yukon. From the start, the force carried out almost all the administrative functions of government. Its members acted as land agents, magistrates, police and mail carriers. After the peak of the rush had subsided civil servants had relieved the force of many of its administrative duties. A few years later, the force was also to play a prominent role in opening up the Canadian Arctic frontier.

In 1905, the first contracts were negotiated for the force to act under the direction of the provincial authorities to enforce the criminal laws and local statutes. The force was active in the campaign of the Canadian government to attract settlers to the prairies. By 1914, over a million settlers had arrived. The police became land agents, agriculture experts, welfare officials and immigration officers. By this time, the mounted police had achieved an international reputation for its part in bringing about the orderly development of western Canada. It is noteworthy to add that the force sent contingents to fight in both World Wars.

In 1920, the Royal Northwest Mounted Police, as it had become in 1904, absorbed the Dominion Police which had been responsible for federal policing in eastern Canada. In keeping with its national role, it was renamed the Royal Canadian Mounted Police.

I have provided only the briefest of overviews of the origins and the history of the force. My intent was simply to illustrate why many Canadians identify with and are protective of the red serge uniform. In fact, the history of the uniform is central to this discussion. In keeping with the para-military role of the force, many of the traditions established in the early days were of military origin. These military traditions were nowhere more apparent than in the style of the uniforms of the force which followed the patterns of the British Army.

In accordance with Sir John A. Macdonald's apparent desire to keep the uniforms of the new police force simple, a jacket made of heavy scarlet serge with a wool lining was issued as the tunic for all ranks; dark blue cavalry pattern overalls, black boots and a pillbox cap or white helmet completed the uniform.

By 1876 officers were pressing for a distinctive uniform in keeping with their social and military status as well as one that would distinguish them from members of other ranks. An elaborate full dress uniform and a simpler everyday uniform were authorized. Scarlet was used for tunics of all ranks, partly because it was the traditional British military colour and also to avoid confusion with the blue-clad U.S. army.

Although the scarlet tunic coupled with the stetson hat is generally reserved for ceremonial occasions, this uniform still represents the image that most Canadians have of the force. This image is continuously being reinforced and promoted both within Canada and abroad through the performances of the RCMP musical ride. Based on traditional cavalry drills, the ride provides audiences with a unique opportunity to experience an exciting part of Canada's past.

Today the RCMP truly has a presence from sea to sea, across all provinces and in the north. In eight of the ten provinces the force is under contract to enforce the Criminal Code and provincial laws. Under comparable arrangements, the force provides policing services to over 190 municipalities across Canada. The RCMP also

has exclusive police jurisdiction in the Yukon and the Northwest Territories.

It is also important to note that the symbolic importance of the red serge, or the "significant" uniform, is recognized in the current RCMP regulations of 1988. Pursuant to the regulations, the Commissioner of the RCMP can approve changes to all uniforms except to the significant uniform. Any changes to the red serge require ministerial approval.

Today's uniform depicts neutrality, impartiality, tradition, history and heritage. This uniform is a symbol of Canada and should only be changed to benefit the Royal Canadian Mounted Police as a whole and only to reflect safety and comfort.

• (1430)

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I am delighted to have an opportunity to speak to this motion. I do not want to derogate from the motion itself because I find myself very favourably disposed to it.

I want to refer to the phrase "officers of Sikh origin". I do not think origin is really at issue here. What we are talking about is a faith and not origin. The reference to origin is perhaps a little unfortunate and slightly distracting. That aside, I also want to refer to the portion of the motion that refers to multiculturalism. It is my view that here multiculturalism is not just a reflection but it is a true manifestation of the community itself. It is a reality for us all that many of our fellow Canadians fervently and proudly subscribe to a faith wherein because of their devotion to God, the creator, they do not cut their hair or kes as it is called, and for reasons of tradition and good grooming, it is bound in a turban. I have, and perhaps we all have, friends and neighbours who are Sikh and they are an integral, real part of our Canadian culture.

My father was a Mountie. All of my growing up years were spent with a man who proudly wore the uniform of that day. I remember trying on his boots more than once, those big high boots and the big stetson hat, which did not fit me at all. I recall one day my father came home with a tuxedo and a small hand gun, a concealed weapon. That became the RCMP uniform for a day or a week in terms of undercover work. The uniform has changed. It has changed to accommodate women most recently.

In Halifax, where I was born after the last war, I saw many uniforms from the services, as well as the RCMP. Even though I was not alive during the last two wars, I know that men of the Sikh faith have served with distinction and valour in service to our Crown. They did that with or without battle dress, with or without helmet, even though the absence of a helmet might have put them at greater risk to their lives.

In my riding of Scarborough, in metropolitan Toronto, the Metropolitan Toronto Police will shortly have men of the Sikh faith proudly serving in the force. They will do that without cutting their hair, without removing the turban.

The Charter provisions in our Constitution speak for themselves. I do not want to spend a lot of time on that, but I feel it is likely that if the issue is pressed in the courts, if we are truly going to rely on our Charter, then the courts will find almost certainly that men of Sikh faith should not be barred from serving in the RCMP simply because of a uniform requirement.

I have children in my riding playing football, ball hockey, and they have their hair, their kes, properly done up as they play these sports. I am confident, and I think the whole country is—I like to think it is—that these children can grow up and be able to serve as Mounties just as proudly as my father did.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I am delighted to rise to speak in support of this private member's bill introduced by the member for Burnaby—Kingsway.

Passage of this bill is vital to Canada's commitment to multiculturalism. It is also vital to Canada's commitment to our Charter of Rights and Freedoms which is lauded for its promotion of equality and of human dignity, and which recognizes our multicultural heritage.

Multiculturalism is a fundamental characteristic of Canada. We must embrace and act on the concept of equality and diversity. I ask the question: What is more important, the uniform an officer is wearing or the qualities that officer has on the inside? Does the RCMP tradition consist merely of red serge and brown stetson, or does it consist of the integrity and dedication that

RCMP officers possess? In the final analysis, what is important is not an officer's headgear, but the quality of the head under the hat or the turban.

I certainly support this bill. It is in keeping with the principle of multiculturalism and it is in line with the Charter of Rights and Freedoms, and it will ensure that the effectiveness of the RCMP is not obstructed. Equality is based not on popularity; equality for all ought to be a living principle. Support for this bill is support for the principle of equality for all.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, unless I speak for about a minute, I am told that the bill will be talked out.

Very briefly, having worked as a Crown Attorney in three western provinces for many years and in this city with the RCMP, I would yield to nobody in having greater respect for the RCMP and the fact that the members risk their lives, theoretically, every hour of every day they serve. I have many friends in the RCMP.

I would also speak in favour of the motion. There is only time to make one key point: wearing a turban is a requirement, to the best of my understanding, for a baptised Sikh. It is not a cultural or an optional thing. If you are baptised, you have to wear a turban. Therefore, if you are banned from wearing the dress uniform and, therefore, from joining the RCMP, you are being banned, as I understand it, on the basis of religion.

Secondly, I wonder why the people who in good faith defend the present dress code, did not object when women were allowed into the RCMP at first, and when we began to have skirts in the dress code. It has been pointed out by members of the New Democrats and the Liberals that there have been many changes in the dress. The reality is that the RCMP should be accessible to all on the basis of competence.

I believe if the House were to support this motion today and not to talk it out, that we would have a significant impact on recognizing the fact that eight million Canadians are of non-British, non-French origin. I would urge all members here to support it and not to talk the bill out.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, this protest which is challenging the decision of the commissioner of the RCMP to allow turbans to be worn by RCMP officers is promoting hatred in Canada. I am appalled and sickened by a pin that is being worn in Alberta saying: "Keep the RCMP Canadian", with a picture of a Sikh in a turban and a line drawn across. This is the kind of hatred that is promoted by the actions of some members of Parliament. I deplore this.

I had many things I wanted to say today. In the interests of not talking this out, I just want to say simply that this is contrary, not only to our Charter, but also to the new Multiculturalism Act which requires that federal institutions like the RCMP must enhance the understanding and respect of the diversity of Canadian society.

I call on all members of this House to support the motion before us today.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, the member for Burnaby has asked the House to consider the question of whether or not the turban should be introduced as part of the uniform of the Royal Canadian Mounted Police. This issue has clearly evoked a strong response from many Canadians, both for and against the proposal.

I believe it would be helpful to this discussion to examine briefly the policies of police forces in other parts of the country and what they are doing. For example, what is the Department of National Defence doing regarding the turban. In so doing, I hope to provide some information to those individuals who have differing points of view on this topic. Both sides have raised valid concerns in support of their respective positions. This is the reason why a decision in respect to the proposal requires careful consideration and reflection.

It seems to me that the reason the RCMP's proposal to introduce turbans has elicited such a heated response is because it brings into play two long-standing traditions. On the one hand, the red serge "Mountie" uniform has become for many Canadians a symbol of this country's unique heritage and culture. Those familiar with the force's role in the orderly settlement of western Canada have every reason to be proud of the RCMP's enormous contribution to the development of this nation. Consequently, any change to the RCMP dress code represents more than just a simple variation to a police uniform. It represents to some a challenge not only to the policing traditions of the RCMP, but also to the

traditions which lie at the foundation of our Canadian identity.

• (1440)

On the other hand, we have welcomed into our country people of various ethnic origins who have come to Canada to establish a better life for themselves and their children. Those of Sikh origin who choose to follow the tenets of the Sikh faith are required to observe a number of religious practices. Part of the Sikh religious tradition includes a series of symbols known as the five *Ks*, namely, the kes or unshorn hair and beard; the kanga or comb; the kara or steel bracelet; the kirpan or sword; and the kachha or undershorts.

Each of these objects has a religious significance for practising Sikhs. Together with the turban they form part of the Sikh uniform. The question then becomes, can we reconcile the RCMP dress code with the dress code of religious Sikhs?

The need to attract more members from visible minorities is an issue being faced by police forces across Canada, not just the RCMP. It is important to note that a number of these police forces have adopted policies to accommodate religious Sikhs. By the same token, while the experience of other police forces is instructive in looking at the issue of turbans in the RCMP, it is by no means prescriptive. The issue must be decided on its own specific merits in the context of the RCMP's unique role as Canada's national police force.

A number of years ago the Metropolitan Toronto Police Force amended its dress code to permit practising members of the Sikh religion to wear a turban made of issued fabric in place of the standard head-dress issued to other police officers. The unshorn hair must be concealed under the turban and beards and moustaches are to be worn in a neat fashion. In addition, the other religious symbols are allowed.

It is interesting to note that in respect to the kirpan or sword the dress regulations provide for the wearing of a small replica of the sword in the form of a pin. It is to be worn under the police uniform and cannot exceed three and a half inches in length.

The Sikh member is also requested to sign a form acknowledging that he cannot be permitted to perform certain duties where the wearing of a special head-dress or special safety equipment, for example, helmets and hard hats, respiratory equipment is required by statute or is necessary for safety reasons.

I understand that both the Peel Regional Police Force and the Halton Regional Police Force have dress regulations for Sikh officers similar to those of the Metropolitan Toronto Police Force. Similarly, the Edmonton Police Force has adopted dress regulations which permit adherents of the Sikh religion to wear a police blue turban with a cap badge centred and secured midway on the front of the turban. Hair and beard may remain uncut provided that a member's safety is not put into jeopardy when required to wear operational equipment.

Finally, my understanding is that while the Ottawa Police Force does not have regulations in place on turbans, a statement was issued a few years ago by the force to the effect that the need to wear a turban for religious reasons would not bar an applicant from being considered as a candidate.

My objective in canvassing the policies of the above noted police departments is simply to illustrate the pairing of a police uniform with a turban in Canada is not without precedent.

In fact the Department of National Defence has adopted a dress policy which allows members of the Canadian forces who are adherents to the Sikh religion to wear an issue turban as well as the other required religious symbols. These items must be modified or removed if they interfere with safety or operational requirements. Also, the hair and beard must be worn uncut, provided the member's safety is not jeopardized by the need to wear occupational or operational equipment.

This is not to suggest that the solution for the RCMP will be a straightforward one, or that it should simply follow what a small number of other police forces have done. It goes without saying that there are many more police forces that have not addressed the issue of turbans in their dress code.

Perhaps this question is simply not relevant given the needs of their particular communities. Others may be of the view that changing the dress code to accommodate any religious group is not advisable because the distinction would hinder the assimilation of the member into the force; if one group is accommodated, equal consider-

ation would have to be accorded to all requests for concessions no matter how valid.

These are important concerns. I do not believe that those who are against changes to the RCMP red serge uniform are against the idea of Sikhs or a member of any minority group joining the force. Quite the contrary. The focus of these arguments is the notion that no matter what a person's ethnic or religious background may be, if that individual wishes to become a member of the RCMP, he or she should accept the established dress code. In other words, membership may have its privileges, but it also entails certain obligations.

In so far as the RCMP uniform is concerned, the view is that we are not dealing with just any uniform but the uniform of Canada's national police force. The significance of the scarlet tunic for those who view the uniform as a symbol of Canada's history and traditions cannot be underestimated.

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, the member for Burnaby—Kingsway has presented for the consideration of this House the issue of the proposed changes to the uniform of the Royal Canadian Mounted Police which would allow members of Sikh origin to wear turbans.

Given the diverse and intense reaction to this proposal, it is clear that this is not a simple cosmetic variation to a police uniform. The issue of modifying the RCMP uniform to allow turbans is a complex one, because it serves to bring into play our respect for Canada's unique history and tradition, and the desire to welcome into the society as full participating members individuals of various ethnic origins.

For this reason, I would like to examine the different points of view expressed in regard to this issue in order to better assess what the proposed changes represent to Canadians. It is imperative that a workable solution be found to this question through serious study and consultation.

Some members of the public have expressed their strong opposition to the introduction of the turban as part of the RCMP uniform. This issue has clearly struck a deep nerve across the country. The gist of many of the opinions expressed centres on the view that the red serge uniform has evolved over the more than 100–year history of the RCMP into a national symbol, one that is instantly recognized across Canada and indeed throughout the world. And, of course, Canadians have every reason to be proud of the outstanding reputation the force has earned over the years both at home and abroad.

Thus arguments have been advanced that modifying the red serge uniform to accommodate turbans in lieu of the stetson hat would not accord with the traditional image of Canada that many Canadians associate with the Mounties.

• (1450)

Furthermore, it has been contended that introducing this variation would make it more difficult for new members wearing turbans to be assimilated into the police organization both from the point of view of the public and of other RCMP members. If the purpose of any uniform is to identify its wearers as being part of a distinct organization and to create an *esprit de corps*, at what point does allowing variations to accommodate new members counter the purpose of the uniform as a unifying force?

These are all valid concerns which deserve serious reflection. I do not believe they are directed against the Sikh community or any religious group but are simply indicative of a sincerely expressed desire to maintain a long standing symbol of Canada. Indeed, from the perspective of native Canadians, the preponderant majority of us sitting here today is descendant of immigrants to this country. Multiculturalism is a fact of life in Canada and has been since its inception. The RCMP is made up of Canadians. Their roots represent many cultures and religions. All have been proud to wear the traditional RCMP uniform.

Canada has always welcomed immigrants to her shores. I realize that we have benefited from the contributions of many countries and many cultures. However, in the past Canadian traditions, laws and institutions have been adopted, upheld and strengthened by the people seeking to make their home in Canada. Everyone has always been welcomed and everyone will still be welcomed.

In Canada, people are free to practice their religion and keep their customs. People can make choices about how they choose to live their lives. The face of Canadian society is changing and there is a line of thought that so

too must the composition of the police force which serves that society. The need to provide more effective community-based policing is clearly not a concern facing the RCMP alone but must most established Canadian symbols be altered to achieve this goal? I do not deny that the RCMP uniform has changed over the years. However, the change did not interfere with uniformity nor did the change reflect any religious affiliation.

The issue being debated today is not a simple one but one that has far reaching implications. It is clearly a desirable goal to have the RCMP open to all who wish to serve in it. I do not believe anyone involved in this debate would argue to the contrary.

Lately in this country we have been moving in the direction of separating religion from state. Would this not be a step back from this position? At the same time, it is recognized that policing in general is a profession which has a different code of conduct, standards and dress than other disciplines. Coupled with the particular history of the red serge Mountie uniform, there are arguments to be considered against modification.

Somehow a solution must be found. The outcome of a decision on this issue must produce a win-win situation for all concerned, but must Canadian symbols give way? This is why the matter is being reviewed carefully and why further consultation is necessary.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I have a very special and personal reason for entering this debate today. My father was an immigrant to this country. He brought with him a strange language and some different customs and, until his retirement, he was master tailor for the Royal Canadian Mounted Police. For over three decades, he dedicated his life and his career to making sure that the Mounted Police was the best dressed national police force in the world. He took great pride in personally measuring every new recruit for his first uniform and even had the honour of making a Mountie suit which was sent back to England with Queen Elizabeth II for Prince Charles. I know because my younger brother was the model for it.

I share the view that I believe my father would have had, that we should be grateful to live in a nation that would not force any Canadian to abandon an important element of his or her religion, and that would not exclude any Canadian from being a member of the RCMP for religious reasons.

The Mounted Police is a symbol of Canada because they uphold the values that make this a great country, values that include respect for the differences that exist among Canadians, and values that include the right we all enjoy to participate fully in Canadian society regardless of differences in religion, race, gender or colour.

I have no doubt that there were also objections when some uniforms first included skirts. There are no doubt some people who feel that oriental skins or black skins or native Canadian skins do not go with—

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member. The hon. member for Burnaby—Kingsway on a point of order.

Mr. Robinson: Mr. Speaker, having regard to the clock and not wanting to stop the hon. member, I would seek consent of the House to extend the debate so that speeches may be finished.

Mr. Deputy Speaker: When the member for Burnaby—Kingsway asks to extend the debate, I would ask him to what time. The member knows that if we do not see the clock, we could be here until Monday morning. It is not that I object, but I would just like some indication from the member.

Mr. Robinson: I would suggest that we allow the speakers who wish to participate to do so—I understand there are very few who wish to do so—and that the debate be continued no later than 3.30 p.m.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There is no unanimous consent. The member for Ottawa West.

Mrs. Catterall: The integrity and excellence of the force does not depend on such superficial considerations as a piece of serge or a piece of brown felt. A multiculturalism department and policy are travesties if our institutions cannot change to accommodate differences.

[*Translation*]

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, the issue of the proposed changes in the uniform of the RCMP which the Hon. Member for Burnaby—Kingsway has asked the House to examine should be considered within the broader context of providing police services in a multicultural society. The RCMP's decision to allow the wearing of turbans by members of the RCMP is a delicate matter that obliges us to strike a balance

between our respect for the agency's traditions and the desire to improve services.

Mr. Speaker, to give the House a better understanding of what motivated this proposal, I would like to explain today how the RCMP has evolved to respond to the changing needs of the many communities it serves.

I hope to show that the motion before the House today will have important implications, not only for the RCMP but also for other Canadian police forces that are seeking ways of improving their relationship with minority groups.

[*English*]

The RCMP has recognized the need to become more representative of the people it serves. Although the force, as we all know, has its origin in the west, it must be remembered that today it provides policing services across Canada through agreements with various provincial, territorial, and municipal governments.

Accordingly, a national recruiting team was created last year to target and attract personnel from visible minority groups. As part of this initiative, both posters and brochures designed to attract visible minority youths are being produced in the language of the target audience. I understand that to date over 200 people from these target groups have joined the ranks of the RCMP.

[*Translation*]

Furthermore, the RCMP is making considerable efforts today to increase representation of women and Francophones. This type of recruitment, Mr. Speaker, is recognized as a very good way to promote co-operation and understanding between police forces and the general public.

Mr. Deputy Speaker: The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

It being three o'clock, the House stands adjourned until Monday, at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 3 p.m.

HOUSE OF COMMONS

Monday, October 30, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table in both official languages the government's response to several petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

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JOINT PARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF JOINT PARLIAMENTARY DELEGATION TO U.S.S.R.

Mr. Speaker: Pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the report of the Joint Parliamentary Delegation to the U.S.S.R. from August 28 to September 3, 1989.

[*Editor's Note: See today's Votes and Proceedings.*]

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COMMITTEES OF THE HOUSE

CONSUMER AND CORPORATE AFFAIRS AND GOVERNMENT OPERATIONS—FIRST REPORT OF STANDING COMMITTEE

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Consumer and Corporate Affairs and Government Operations in both official languages.

This report deals with the issue of credit cards and Canadian consumers. I might just briefly outline the themes that our report discusses. First, we talk about fairness to consumers. We believe that fairness to consumers in terms of credit cards involves reasonable interest rates. We also believe that interest calculations should be done on a common sense basis.

A second theme is the disclosure of the costs of using credit cards on a consistent and industry-wide basis so that consumers can easily compare the different cards that are out there in the market-place.

Third, we believe that society should not discriminate against those who do not choose to use credit cards or revolving credit and we address that fact.

Fourth, we are very concerned about public education. Complex rules now exist in terms of the credit card industry and we want to ensure that consumers have all the information at their finger tips to make wise credit decisions.

Finally, we are concerned with the fraudulent use of credit cards and wish to have measures put into place that would make it more difficult.

I am pleased to table this report and pursuant to Standing Order 109 of the House of Commons, the committee requests that the government table a comprehensive response to our report.

[*Editor's Note: See today's Votes and Proceedings.*]

STRIKING COMMITTEE—NINETEENTH REPORT

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the nineteenth report of the Striking Committee. If the House gives its consent, I intend to move concurrence in the nineteenth report later this day, and I would ask that we dispense with the reading of that report by the Clerk at the table as that report concerns only membership changes to committees.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

[*Editor's Note: See today's Votes and Proceedings.*]

Routine Proceedings

STRIKING COMMITTEE—CONCURRENCE IN NINETEENTH REPORT

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I move, seconded by the hon. member for Churchill, that the nineteenth report of the Striking Committee presented to the House earlier this day be concurred in.

Motion agreed to.

* * *

• (1110)

PETITIONS

PROPOSED GOODS AND SERVICES TAX

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present a petition today with regard to the goods and services tax. It is signed by a number of Canadians explaining how they think it is an unfair taxation system and that it is going to hurt people. It is going to tax reading, haircuts, diapers, coffins, home heating fuel, et cetera. They call upon the House to reject the current proposal for a goods and services tax, to reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations to ensure that if and when there is a consensus on this sales tax measure to replace the manufacturers' sales tax, this reform not be an opportunity for the government to impose a massive tax grab.

VIA RAIL

Mr. Rod Murphy (Churchill): Mr. Speaker, I have a second petition on VIA Rail which calls upon the House to maintain an adequate VIA Rail system throughout Canada and to ensure that the federal government provide adequate funding to upgrade the service we have at the present time.

PROPOSED GOODS AND SERVICES TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am presenting seven petitions, which have been verified by the Clerk of the House, containing the signatures of 328 residents of Vancouver and surrounding regions of the lower mainland, and an additional 18 petitions containing the signatures of 1,178 residents of Sarnia, Ontario. These citizens call upon the government to withdraw its proposal for a regressive and inflationary 9 per cent goods and services tax.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I have the honour to present a petition concerning the goods and services tax on behalf of the constituents of Winnipeg North. Some 200 signatures are included, because they believe that the proposed goods and services tax will impose an undue burden on them and will ruin small businesses. The petitioners hereby pray that Parliament grant them the necessary remedy and reject the proposed goods and services tax.

RIGHTS OF THE UNBORN

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, my other set of petitions concern the issue of the protection of the life of the unborn. The petitioners, over 500, believe in the sanctity of human life from the moment of conception and believe that there is a need for a just law to protect the lives both of the unborn and the mother and further believe that there is a need for families and communities to develop various forms of support and shelter to provide care and assistance to mothers and mothers–to–be. The petitioners pray and call upon Parliament to formulate and legislate law to protect life from conception, a law which seeks to save the life of both mother and child.

PROPOSED GOODS AND SERVICES TAX

Mr. Maurice Foster (Algoma): Mr. Speaker, I am honoured to present a petition signed by several dozen constituents in Massey and Elliot Lake, Ontario, in which they point out their displeasure with the proposed goods and services tax. They point out that this will cause higher taxes and that it will be especially onerous for low income families, that it will cause higher inflation, higher interest rates and will have an adverse effect on the regions of this country.

VIA RAIL

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I have the honour today to present a petition certified by the Clerk of Petitions of this House calling upon Parliament to urge the Government of Canada not to cancel in whole or in part passenger rail services in Canada.

SOUTH MORESBY PARK

Mr. Jim Fulton (Skeena): Mr. Speaker, I am honoured this morning to table four petitions that have been certified pursuant to Standing Order 36. The first is a petition of over 80 pages. It has signatures from British Columbians who are concerned about the South Moresby Park agreement that would allow for millions of dollars to be spent to explore for minerals and hydrocar-

bons in this first national marine park. They are also concerned that they do not want any more hydrocarbon exploration activities to take place in the coastal waters of British Columbia.

PROPOSED GOODS AND SERVICES TAX

Mr. Jim Fulton (Skeena): Mr. Speaker, I have a petition that is certified correct pursuant to Standing Order 36, signed by residents of northern British Columbia who are concerned about the proposed goods and services tax. They call upon Parliament to reject the proposed goods and services tax because it would shift the tax burden on to ordinary Canadians through a regressive consumption tax instead of through real tax reform.

VIA RAIL

Mr. Jim Fulton (Skeena): I have a petition certified correct pursuant to Standing Order 36 from residents of northern British Columbia who are concerned about the announced cuts to VIA Rail. They call upon Parliament to maintain VIA Rail as a national network and to upgrade VIA Rail with new equipment and to give VIA sufficient budget to maintain its national mandate for passenger service.

FORESTRY

Mr. Jim Fulton (Skeena): Mr. Speaker, I also have a petition certified correct pursuant to Standing Order 36 regarding Canada's forests. It calls upon Parliament to renew the FRDA agreement for forest renewal with British Columbia, thereby providing a renewed commitment to the restocking of our forest lands, advancing forest research, promoting silviculture and assisting the forest industry in developing new products and markets that will provide British Columbia with forestry jobs for the future.

NATIONAL ARTS CENTRE ORCHESTRA

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I have the pleasure to present a petition which is in proper form under Standing Order 36 in the interest of the National Arts Centre orchestra, which is considered a world-class orchestra. It has brought fame to the capital city and is an important instrument in cultural development across Canada. I call upon the minister to consider financial aid to the National Arts Centre and to see what can be done to enable the people of Canada and the people of Ottawa to enjoy the National Arts Centre and its orchestra.

VIA RAIL

Mr. Jim Jordan (Leeds—Grenville): It is a pleasure, Mr. Speaker, to present this petition on behalf of citizens of Thunder Bay and the district of Thunder Bay condemning the government for its shortsightedness in reference to its action on VIA. It is a pleasure to present this petition which has been properly prepared and attested as to proper content and form.

HUMAN RIGHTS

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I have the honour to present 1,365 signatures in support of the petition to request the Ministers of Employment and Immigration and Health and Welfare Canada to revise the medical standards for admission to Canada with a view to compliance with the Canadian Charter of Rights and Freedoms in the enhancement of the human rights and dignity of the disabled.

There must be a change in the act which allows families and individuals to be considered on their merit as immigrants to Canada. A medical disability of an individual should not be an automatic bar to admission to Canada.

VIA RAIL

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, I have the honour to present a petition pursuant to Standing Order 36 in which several hundred constituents from all over Canada have indicated that the government subsidies to VIA Rail are not disproportionate to subsidies required for highway infrastructure or for airports. They request the Government of Canada not to cancel in whole or in part rail passenger services in our country.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I have the pleasure today to present yet another petition from people in the Madoc, Tweed and Eldorado area of Ontario calling upon the government to reverse the decisions that it has made on VIA Rail.

PROPOSED GOODS AND SERVICES TAX

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, it is my privilege to present this petition to the House on behalf of the people from Sudbury who oppose this goods and services tax.

UNEMPLOYMENT INSURANCE

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present a petition duly certified by the Clerk of Petitions objecting to the Government of Canada withdrawing its contribution of $2.9 billion to the financing of unemployment insurance and leaving the financing to workers and employers, pleading with Parliament not to withdraw from the unemployment insurance scheme and not to pass Bill C-21.

PROPOSED GOODS AND SERVICES TAX

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I have a further petition on the goods and services tax objecting to the tax and asking that Parliament not approve the goods and services tax.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, today I have about 15 to 20 petitions with 300 to 400 names objecting to the proposed goods and services tax. The people of Sudbury and the surrounding municipalities are extremely concerned with the effects of such a tax on outlying regions of our country.

VIA RAIL

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I have the honour today to present a petition from northern Ontario residents who object to this government's plans to get rid of VIA Rail passenger service. They want to remind the government that many people in rural communities rely exclusively on rail passenger services.

• (1120)

VIA RAIL

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I have the pleasure to present a petition this morning from residents in Winnipeg, Red Lake and other parts of Ontario and Manitoba who are objecting to the cuts to VIA Rail and point out that the government, through its cuts, is going to cause closure or sale of parts of VIA Rail. It is cutting it by at least one third. It is a pleasure for me to present this petition duly authorized under Standing Order 36.

PROPOSED GOODS AND SERVICES TAX

Ms. Sheila Copps (Hamilton East): Mr. Speaker, like many other members, I have a petition signed by dozens of residents of the great city of Sudbury who are concerned about the GST and what it is going to do, for example, to Sudbury Downs Race-track. Like dozens of other race-tracks across the country it will be forced to close if this national sales farce goes through. The people of Sudbury want the government to revoke any tax, 9 per cent, 7 per cent, on food, on all goods. We want no GST.

EXTRADITION

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, I have the honour to present, pursuant to Standing Order 36, a number of petitions which have been certified correct as to form and content. These petitions contain over 860 names from the Calgary area, calling upon the government to revise the laws of Canada relating to extradition to allow the Justice minister of Canada to order the extradition of alleged or convicted criminals at any time after their apprehension in Canada, even during their period of incarceration for crimes committed in Canada.

Over 90,987 names have already been presented to this house, so the total is well over 91,000 names on this specific issue to amend the extradition laws.

VIA RAIL

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am honoured to present a petition on behalf of several hundred Canadians opposing the cuts of some $500 million to VIA Rail, the closure, sale or transfer of substantial parts of the VIA Rail system, which will mean a disappearance of one third of Canada's national railway system. They call upon Parliament to maintain VIA Rail and the present national network, to upgrade VIA Rail with new equipment and to bring in a new passenger train act with a revised costing arrangement with railway companies.

PROPOSED GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure to present a petition pursuant to Standing Order 36, certified correct by the Clerk of Petitions, that points out a whole variety of concerns that the petitioners have regarding the goods and services tax. They point out that it is a mean, cruel and unfair tax, highly discriminatory and are asking the government to simply abandon its efforts to introduce the tax.

VIA RAIL

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, these petitioners are asking the government to reconsider the decision to curtail VIA Rail service and point out a variety of concerns, namely, that it is a very environmentally unsound decision to curtail passenger rail service in the country, as the government proposes to do. They are asking the government to reconsider and actually invest in an enhanced passenger train service so that we can move people efficiently in an environmentally sound way.

PROPOSED GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, today it is my pleasure to present two petitions, both certified under Standing Order 36. The first one is, as were others presented before the House today, a petition pointing out that the government has not addressed the unfair taxation system presently in place in Canada, and asking it to stop the present proposed goods and service tax and instead look at real tax reform.

FORESTRY

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, the second petition is a petition in which the petitioners from various parts of Canada encourage the Parliament of Canada to renew the FRDA agreement with British Columbia and thereby provide for renewed commitment to restocking our forest land, advancing forestry research, promoting silviculture and assisting the forest industry in developing the new products and markets that will provide us with forestry jobs for the future.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I too have petitions from residents in the ridings of Prince George—Peace River and Cariboo—Chilcotin in the Province of British Columbia urging this government to renew the forestry resource development agreement right away with the Province of British Columbia to ensure that we can get on with the proper management of our forests.

Routine Proceedings

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 139 and 140.

[*Text*]

BANK OF NOVA SCOTIA—SURPLUS PENSION FUNDS' WITHDRAWAL

Question No. 139—**Mr. Skelly (North Island—Powell River):**

Has the Bank of Nova Scotia withdrawn surplus pension funds pursuant to the terms of the *Pension Benefits Standards Act, 1985* at any time since 1969 and, if so (a) on what dates (b) in what amounts?

Mr. Gilles Loiselle (Minister of State (Finance)): I am informed by the Office of the Superintendant of Financial Institutions as follows:

The Pension Benefits Standards Act, 1985 and the predecessor Act, the Pension Benefits Standards Act, require that a pension plan sponsor receive authorization from the Superintendant before withdrawing surplus funds from its pension plan.

Under the current legislation, the plan sponsor must follow a detailed procedure, as prescribed in the Regulations under the Act, and must demonstrate its entitlement to the surplus funds before the Superintendant will consider authorizing any withdrawal from the pension fund.

Neither the Superintendant of Financial Institutions nor his predecessor, the Superintendant of Insurance, has authorized the Bank of Nova Scotia to withdraw surplus funds from its pension plan in the period between 1972 and the current date. Government records prior to 1972, in this regard, have not been retained.

BANK OF NOVA SCOTIA—SHORTFALL PAYMENTS

Question No. 140—**Mr. Skelly (North Island—Powell River):**

Has the Bank of Nova Scotia ever been obliged to make shortfall payments pursuant to the terms of the *Pension Benefits Standards Act, 1985* at any time since 1969 and, if so (a) on what dates (b) in what amounts?

Point of Order

Mr. Gilles Loiselle (Minister of State (Finance)): I am informed by the Office of the Superintendant of Financial Institutions as follows:

We presume that the Member intends the term "shortfall payments" to mean any actuarially determined special payments required to amortize unfunded liabilities or experience deficiencies in the pension fund. According to periodic statements and reports filed with the Office of the Superintendant, the Bank of Nova Scotia made no such payments to its pension fund in the period from 1972 to date because none were required.

Information filed with the government on this plan prior to 1972 has not been retained.

[*English*]

The Acting Speaker (Mr. Paproski): The questions as enumerated by the Parliamentary Secretary have been answered.

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions stand?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Orders of the day.

The Parliamentary Secretary on a point of order.

* * *

POINT OF ORDER

SUPPLY DAY MOTIONS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I apologize to the Leader of the Opposition, but I do want to raise a point of order which should take me two or three minutes.

I was away last week, but I have followed the debate that went on and some of the events that are recorded in *Hansard*. I have several procedural questions about the multiple notices which have preceded our entering this order just now. I do not want to argue that the motion is not receivable. That is not my intention at all. I only ask the Speaker to rule on these several questions as a guide for the future.

Since the first notice of this opposition day motion was given last Wednesday, before the government designated that today would be an opposition day, the first since the week before last, my first question to you is: Is a designation a necessary precondition to giving notice of an opposition day motion, and if not, why not? I submit on this point that our whole chapter of Standing Orders on Supply begins after the designation of the continuing order for Supply with the words in Standing Order 81(2) to be precise, and I quote:

> On any day or days appointed for the consideration of any business under the provisions of this Standing Order—

All the rest of the procedure flows from the appointment of such days. Such appointment is a precondition to everything else, including notice. Surely one reason for this is, as the same Standing Order 81(2) says, that such days are government business days on which Supply business takes full precedence.

My second question grows from what we saw on the Notice Paper Friday, a second motion from the same opposition political party identical in wording to the first, but in the name of another member. My question is as follows: Given the wording of Standing Order 81(2)(c) about the Speaker's power of selection and the commentary on that Standing Order in the Annotated Standing Orders, is it not the case that what is contemplated in Standing Order 81(12)(c) for the Speaker to select from are motions from different political opposition parties, not the same party?

My third question grows from what I see on today's Order Paper and Notice Paper. The original motion from the Leader of the Opposition is the only one on the paper, since the one that came on notice one day later has now I take it been withdraw. While there were two identical motions on Friday's paper, now there is only one. My question is the following: Is it in order for any or all notices for such motions to be withdrawn without the consent of this House?

I have a fourth question, Mr. Speaker. Is it in order, either before or after an allotted day has been designated, for one or both opposition parties to raise multiple notices of motion on the paper, thus giving the Chair, I would argue, the impossible task of exercising its selection power of Standing Order 81(12)(c) in a way I do not think was contemplated, that is within a single political party? Is it the Chair's view that members have to prepare for a possible debate on any of a number of motions?

I cannot recall the House having faced the unusual placing of notice, multiple notice, premature notice, and then withdrawing notice that we have seen the official opposition demonstrate over the last several days.

I ask the Chair to see the need for the return to traditional practices concerning the notice of such motions. The designation comes first, notice follows, and the notice stays. Mr. Speaker, am I wrong on that count? If the Chair looks at *Hansard* for May 28, 1987, notice and calling of debate on allotted days are inter-related in that order. If there is a slip-up anywhere along that path, it has to get set right by the consent of this House.

• (1130)

I submit we should keep our notice system as rigorous as it has been traditionally. This requires discipline for both the government and for private members. I do not believe that the Notice Paper should be empowered to somehow appear to legitimize proposals that cannot procedurally be put to the House and do not belong where we, as members, sometimes want to put them on that paper.

I do not wish to impede the debate today on the Liberal leader's motion. I am happy he is able to propose it here today. We want to get on with that debate. I do ask the Chair to consider these questions I have raised, hear other voices as there may be different views and then help the House out at a later point by giving us some answers to these technical but important questions.

Mr. Maurice Foster (Algoma): Mr. Speaker, the parliamentary secretary has raised some very interesting points. It is very difficult to know exactly when an Opposition day is going to be held. Normally on Thursday after Question Period, it is the responsibility of the Government House Leader to tell the Opposition parties when the next Opposition day is going to take place. It was very unclear last Thursday whether the government was going to call an Opposition day, which was our turn, on Friday or on Monday. Thus it is very difficult for people on this side of the House to plan any motion that is put down.

I suggest to the parliamentary secretary that maybe if the government would clearly set out its plan of work for the House, then Opposition parties would not have to put down two motions and then withdraw after they find out what the government is going to do. I would say in passing that it would be very nice, when we give notice this far ahead, as the Leader of the Opposition has, to have the Minister of Agriculture here to respond.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I too do not want to extend this important discussion. We are anxious to begin the debate on the Opposition motion on agriculture, particularly in light of the Minister of Agriculture's comments late last week condemning the free trade agreement in terms of what it has done to agriculture.

Having heard the various questions that the parliamentary secretary has put to the Chair, I think they are questions that must be answered. As my good friend from Algoma has also indicated, some earlier notification of Opposition days would be appropriate. On Thursday, late in the day, we were still unsure makes it impossible for critics to be here as presumably there is some difficulty with the Minister of Agriculture being in attendance here today. As Opposition parties we really had no alternative but to take some of the steps we were forced to take. Perhaps by responding to the questions of the parliamentary secretary and hearing our concerns we can avoid this problem in the future.

The Acting Speaker (Mr. Paproski): I have heard from all three parties on the same point of order. I think the hon. member has brought this to the attention of the Chair. I will take it under advisement and give a ruling at a later date.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S.O. 81—AGRICULTURE AND TRADE POLICIES

Right Hon. John N. Turner (Leader of the Opposition) moved:

That this House condemn the government for having jeopardized the future of Canadian agriculture by its ill-conceived trade policies, especially the Canada-U.S. Trade Deal,

1) which have failed to gain access to the U.S. market in spite of the promises of the Prime Minister in the 1988 General Election;

2) which have failed to counter U.S. protectionist actions (including those taken after the enactment of the Trade Deal) against Canadian agricultural products such as pork and other commodities vital to our economy;

3) which have failed, as evidenced by the recent GATT panel decision on ice cream and yoghurt, to ensure that Canada is able to maintain its marketing board and orderly marketing systems;

4) which have failed to have any effect on U.S. agricultural export subsidy programs, such as the export enhancement program, which are contrary to the claimed "spirit" of the Trade Deal while the Canadian government has, at the same time, been moving unilaterally to dismantle programs beneficial to Canada's farmers; and

5) which have failed to create confidence among farmers in the future of the food supply system in Canada and its ability to ensure long-term food security for consumers.

He said: Mr. Speaker, what we are talking about today is the future of Canadian agriculture. What we are talking about as well in this House of Commons is the future in Canada of the farm family.

This Tory party claimed for years to be the best friend the Canadian farmer ever had, but for the last five years it has done nothing but stab Canadian farmers in the back.

[*Translation*]

For many years we have heard Hon. Members opposite tell us that rural and farming communities were the natural constituency of the Conservative Party. For years, they maintained the fiction that only the Tories were prepared to defend the farmers, that only the Tories understood the problems facing Canadian farmers. For years, they told us "Wait until we are in power! You'll see how much better off Canadian farmers will be." We are waiting, Mr. Speaker, and it has been a long time. It has been five years, and we are still waiting for the farm revolution the Tories promised us!

Canadian farmers have been waiting for a long time. They have been waiting forever, and we are still waiting here in the House for that so-called farm revolution. The Tory revolution never happened, however. Increasingly, the younger generation is leaving the farm. Farm bankruptcy rates have increased dramatically. Farmers are still facing a debt crisis. Operating costs have gone up. When the Government finally decided to help, those who benefitted most were the big corporations and large operations, while small farmers were at a disadvantage.

Canadian farmers have faced natural disasters. They realize it all part of farming floods, droughts and all kinds of natural catastrophes but the worst disaster they ever experienced was the Tory Goverment.

[*English*]

Most of us in this House represent urban constituencies. I want to say that the urban citizens of Canada, the people of Vancouver Quadra and of all the other great cities of our country take our food too much for granted. We tend to think that if it is there in the store or on the shelf it will always be there and we will always have plenty. But that will only remain true, and I say this to the metropolitan citizens of Canada, if we maintain our self-sufficiency in food production; if we Canadians do not become reliant on another country for our food.

What I want to say clearly to Canadians is that the Tory government, under this Prime Minister, has started us on the road to agriculture dependency. This government signed a trade deal with the United States that will devastate the Canadian farm family. It told us the reason was to get secure access to the American market. We said in the House of Commons, across the country and during a federal election that the only way we would get secure access to the American market for our farm products, or any other Canadian export, was to obtain a specific exemption from the United States protectionist trade law.

Once upon a time that was the government's own position. I recite again to the House of Commons the Prime Minister's interview with the *Wall Street Journal* on April 3, 1987, as follows:

U.S. trade remedy laws cannot apply to Canada, period.

In the same interview, he stated:

You can't have a free trade arrangement and expect the traditional laws of countervail to apply.

Those were his words. They were echoed by the Minister for International Trade who said in St. John's, Newfoundland, to his own Board of Trade in July 1987:

Unless we get out from under the threat of countervail and other U.S. trade remedy law and unless there is an effective dispute settlement resolution to bind the Americans to their commitments, a free trade agreement with the United States would not be a good deal for Canada.

We could not have said it any more clearly. However, the trade agreement is clear and to the contrary.

• (1140)

Article 1902.1 is absolutely unambiguous. It says that the United States still has the right to use countervail against us. It says that the United States still has the right to use any trade remedy law against us. It says, quoting the agreement, that the United States "reserves the right to apply its anti-dumping law and countervailing duty law to goods imported from the territory of the other party," that is, Canada.

We did not, therefore, get secure access to the American market. We did not get an exemption from American trade law, whether that be the all-embracing law of 1930 or the U.S. trade law of 1974 or the recent omnibus trade bill of 1988. All of those very comprehensive trade laws applicable to Canada still apply against Canada and are currently being applied by the Americans against our exports.

[*Translation*]

Mr. Speaker, what are the implications of the FTA for agriculture? First, seasonal tariffs have been eliminated. Ours is a harsh climate, and our crop season lasts no more than four or five months. Canadian farmers will not be able to compete with their American counterparts in California, Florida, Georgia and other southern states. Why? Because they can harvest crops throughout the year. Canadian farmers know that free trade is impossible in the agricultural sector. With a five-month season here in Canada and a twelve-month season in the southern U.S., there is no way Canadian farmers can compete under the Free Trade Agreement. Only a Tory Government would sign a trade agreement that is completely oblivious of our Canadian climate.

[*English*]

Under the trade deal, our whole marketing board supply management system is in the course of being negotiated away. It includes marketing surveillance over eggs, chickens, dairy products, turkeys, you name it. Every Canadian farm support system is going to be harmonized, to use the words of the trade agreement, with American programs under the negotiation with the United States of the definition of subsidy.

Our programs are specifically listed in an annex to the trade deal. I am going to read a few of them, applicable particularly to the western farmer: the Prairie Farm Rehabilitation Act, the Agriculture and Rural Development Act, the Economic and Rural Development Agreements the Agricultural Stabilization Act, the Western Grain Stabilization Act, the Special Canadian Grains Program, the Prairie Grains Advance Payments Act, the Crop Insurance Act. Every one of those programs is listed for negotiation to be harmonized with the programs of United States and harmonized down to the U.S. level.

Our government could not even wait for the negotiations. It has already started to slash those programs and sell out our farmers to the Americans. Also, before any negotiations began, it sold out the Niagara and British Columbia grape growers. It eliminated the two-price wheat system. It eliminated interest-free cash advances to our farmers. In the last federal budget alone, the minister announced the following cuts totalling $.5 billion by the end of 1990: Crop insurance to be cut by $200 million; grain and flour transportation, $60 million; rail branch line rehabilitation program, $48 million; grain and crops advance payment programs, $54 million; dairy export program, $12 million; commodity based loan program, $15 million; Canadian Dairy Commission, $10 million; ending farm fuel rebate, $100 million; all cuts against the Canadian farmer, all cuts concluded in the last federal budget.

You would think, those guys over there were working for the Americans.

Some Hon. Members: They are!

Mr. Turner (Vancouver Quadra): With friends like that, the Canadian farmer does not need any enemies.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): By the time our so-called negotiators sit down with the American negotiators to negotiate farm support programs, there will not be anything left to negotiate. Look what the Americans are doing in the meantime. They are not stupid. They are taking advantage of a weak Canadian government.

They are using their trade legislation which was specifically incorporated in the trade agreement with Canada to attack our agricultural exports. They have imposed a countervail duty on fresh, chilled and frozen pork. That is in addition to the current duty on live hogs. Now Canadian hog producers are being asked by their own association to contribute $2 for every hog sold, whether the hog is sold domestically or in export to the United States, to help to pay for that duty.

[*Translation*]

In the case of yogurt and ice cream, the Government says this has nothing to do with the FTA and that it is a GATT decision. That is not true, Mr. Speaker. Yogurt and ice cream have everything to do with the FTA! We wouldn't be talking about this today if there were no Free Trade Agreement. So what happened? Before signing the FTA, we had tariff protection for dairy products. The United States had similar protection. Since the middle of the 50's, the Americans have enjoyed a GATT exemption, allowing them to prohibit imports of dairy products from Canada. Since that time we have been unable to send them our dairy products.

How did the members of the brain trust across the floor, the Tory brain trust, manage to sign a free trade agreement that will eventually eliminate all tariffs on dairy products while at the same time protecting our dairy industry? They simply withdrew dairy products from the protected tariffs list and transferred them to the import control list whose items are supposedly protected by GATT.

The Americans have now obtained a decision from GATT that prevents us from doing so. A decision by Canada to transfer the tariff protection list to the import control list has now been overturned by GATT, and we have no protection whatsoever. What a monumental blunder on the part of the Canadian Government!

[*English*]

We saw that happening last year. I questioned the former Minister of Agriculture, John Wise, who sat with distinction in this House. I asked him about the dairy question, and I have no doubt that the real reason John Wise did not present himself for re-election was because he knew exactly what was going to happen to him.

At any rate, in his amiable manner—I can still see him and so can you—he said to me, "The hon. gentleman can just sit back and relax because we will deliver to the dairy farmers of Canada exactly what we told them we would deliver".

I feel pretty relaxed this morning, but the dairy industry is not relaxed. They have been sold out by a bunch of incompetent amateurs. My colleague from Lambton—Middlesex will talk in more detail about the fact that the U.S. is not even able to supply its own market and yet now is trying to sell into ours.

The Deputy Prime Minister of Canada, the part-time Minister of Agriculture, is going around complaining bitterly about the American action on hogs and milk products. Just last week, in a speech to the Canada Grains Council in Toronto, then apparently in Calgary, this is what he had to say:

> It defies belief that the United States can complain about our quotas while their market is closed to Canadian suppliers.

Where has he been? What has he been smoking, as we say? Join the club. All I can say to him is that it defies belief that this government was dumb enough and gullible enough to sign a trade deal that got us into this whole mess in the first place.

These are the words of the Prime Minister on March 16, 1987:

> Our highest priority is to have an agreement that ends the threat to Canadian industry from U.S. protectionists who harass and restrict our exports through the misuse of trade remedy laws.

This was said in the House of Commons in response to one of my arguments. Then he signed the deal. He signed a deal that he said would end that harassment. We told Canadians it would not.

One of the worst things you can do in life, whether you say it to your family, to a neighbour or to a business partner, is to say "I told you so". It is not a popular thing to say. You cannot even say it on a football field. But I will say that we did tell them so and exactly what we said was going to happen is happening to the Canadian farms!

• (1150)

Let me return to the Deputy Prime Minister of Canada. He said last week of the latest American industry plan to seek countervail of our Durum wheat exports which the Americans now claim are causing the decline of prices in their markets:

> If the U.S. is serious in its rhetoric about free trade in agriculture, I would hope that they would begin by ceasing this trade harassment on Durum.

Oh, what a late convert. What a slow learner. The Deputy Prime Minister can huff and puff all he wants. The problem is that Canadian farmers just do not believe this government any more.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We told Canadians that the Americans would retain all the trade remedies they now have. We told Canadian farmers that the Americans would continue to harass Canadian agricultural exports under the same laws they always had because those laws are not exempted from this trade agreement. They are incorporated into the trade agreement. They have the same remedies against us they have always had.

The Canadian government will not admit it but Canadian farmers now know who was telling the truth. We, in the Liberal party, were telling Canadian farmers the truth.

My colleagues, including our critic for agriculture, the member for Algoma, will speak in more detail about the devastating impact this government has had on rural Canada, not only because of the trade agreement but because of its efforts and continuing policy of shutting down rural and small town Canada, the cuts to VIA Rail, the cuts to Air Canada, selling it off and privatizing, the threats to the post office and the threat to public broadcasting. This country is turning into two Canadas, the country of the rich and the big cities and the country of the neglected poor and the neglected farmer in the smaller communities of our country.

We can strip away all the details, the complicated marketing boards, complex formulas on tariffs, quotas and GATT decisions, but just look at what is happening to our Canadian farmer on the land. He is the person who is growing the wheat we need to feed ourselves and to feed a hungry world. The farmers are growing our vegetables, raising our cattle, hogs and chickens. It has never been an easy life. It is a 24-hour a day job. There are so many unpredictabilities, most of them caused by nature. But this government is making it harder and harder for farmers to stay on the land. Sons and daughters are moving away. We are in danger of losing a whole generation of farmers. I want to say that that would be a catastrophe for this country.

The burden of our motion before you this morning is this: It is time for this government to start telling Canadian farmers the truth. It is time for this government to stop pretending that this trade deal with the United States will help our farmers. It is time that this government admitted that it made the mistake of the century in agriculture. It is time that this government understood that the farm family is in deep trouble in Canada. It is time this government understood that its policies are not part of the solution, they are part of the problem, and it is time that this government understood that it is contributing to the disappearance of farm life in Canada. That is what we are saying to Canadians, through you, Mr. Speaker. It has to stop or we will not be the kind of country we were. We will not be self-sufficient in agriculture. We will be dependent on other nations, particularly the United States, for our food and, that, to me, would be an abandonment of sovereignty as severe as any aspect of the trade agreement.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Under Standing Order 81(2), there are 10 minutes of questions and comments. Are there any questions or comments?

Resuming debate with the hon. member for Saskatoon—Humboldt.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, when I looked at this motion this morning, I almost believed that the Minister of Agriculture, when speaking in Calgary on Friday, would be our first speaker, because in that speech, he pointed out the shortcomings of the free trade deal and the problems we have raised for ourselves with this free trade deal.

One of the very difficult things about dealing with farm crises is the tendency to deal with each of the disasters, concerns and problems in the farm community separately and to forget about the others for the period of time that you are dealing with that. That is the way that Tory members have been approaching the farm problem and agriculture across the country. They have been dealing with each part separately and have not been taking into consideration the cumulative effect of their actions and policies, upon the agricultural community.

Some of the disasters like the free trade deal are disasters which were sponsored by the Conservative Government, but many of the others that have turned out to be disasters have been put in place by changes in policies or changes in the nuances of policies which give the market the edge in every situation where the Canadian farmer is dealing with that market. At one time it was the policy of the government to make sure that there was enough security in the process of agriculture so that the farmers could have some kind security that they could survive under almost any circumstances.

Right now, for instance, there are places in western Canada that are under snow. We used to think that we had security in those kinds of situations. Back in 1984, there was a suggestion by this government that it would put in place a security system which would work when it was needed. We have been waiting for that system ever since. Instead of that, we are getting less and less security, more and more of it is being taken away.

This particular motion talks about the problems developed by one particular policy, the policy of free trade. This government signed an agreement with the United States which was supposed to increase our access to the U.S. market, and it was supposed to put in place the kind of structure which would allow us to make use of that access and consequently, we were supposed to live happily and prosperously ever after.

One of the agreements that we made when we signed this free trade agreement was the fact that none of the trade laws, none of the protectionist trade laws that were already in place or that the government would want to put in place or make use of in the future were going to changed. Consequently, we have a situation now where we have gine in to all of the bad protectionist laws which the U.S. had in place and which we could fight.

Now that government gives itself two alternatives when it wants to defeat the Canadian farmer. If the Americans cannot get what they want under GATT, then they turn to the free trade agreement. If they cannot get it under the free trade agreement, they try and bring it through under GATT. Because this government has established the kind of structure which allows us to be taken in by these kinds of situations, we are worse off now than we were before.

It is kind of interesting to look back a little bit when we are talking about this situation. What did the government say it was going to do for agriculture? What did it say was going to be the situation after the free trade had been put into place? The Prime Minister, when he spoke in Dundurn on October 7, 1988, as reported in *The Montreal Gazette*, said:

> We're not going to allow a single farmer to hang out to dry simply because the Americans and the Europeans have this (subsidy) war going on—Until the matter is brought to a halt, the Canadian government has a responsibility to step in and defend the interests of the Candian farmer.

He said that "free trade will help farmers by guaranteeing access to U.S. markets while maintaining marketing boards. In their response to the Canadian Federation of Agriculture during the election in 1988, the Tories said, "Nothing in the free trade agreement affects our ability to maintain our supply management systems in Canada. The agreement will not require any changes in current supply management programs with the sole exception of the slightly larger import quotas for chicken, turkey, and eggs." They could not really get around the fact that they had already taken a considerable slice out of the possibility of the maintenance of the free trade structure. They said, "these small import quota increases pose no threat to the continued viability of the supply management programs in place for these sectors. In addition, the agreement will not prevent Canada from implementing new supply management programs".

• (1200)

I can go on. They spoke about GATT, saying that free trade was not going to affect GATT in the least. To use one more quote, when the Prime Minister was in his leadership mode, which he stayed in only until he became leader, he made the statement that free trade was a danger to Canadian sovereignty. On Friday, when the Minister of Agriculture was speaking in Calgary, he pointed out that free trade was not working quite the way they thought it should work, that there were some things that were going a little bit wrong with it. He suggested that the U.S. was using the free trade agreement to harass the Canadian farmer. He stated that the United States is harassing Canada with some trade policies which are wrong, unfair, and hypocritical, and he sounded surprised.

A newspaper article reports:

> Speaking in Calgary Friday Mazankowski hinted that Canada will have to get tough in response but he refused to specify what actions would be taken.

He said:

> Rather than harmony, we have been subjected to harassment and it is timely and necessary to remind our American friends of the spirit within which the free trade agreement was negotiated.

The article continues:

> Mazankowski said U.S. countervail action on Canadian pork and pork products, threatened countervails on Canadian durum wheat and quotas on dairy products contradict the agreement's purpose of breaking down trade barriers.

And he sounds surprised.

There are two things about this. If he is really surprised, then I suppose we can say he was very gullible because he should have known. But somehow I do not really think that he is surprised at all, that anyone in the government is surprised. I think that when the government dealt with this free trade agreement it had the alternative of saying, "Okay, either we go along with the U.S. and we acquiesce to the U.S. position in these areas, or we do not sign the free trade deal". The government chose the free trade deal and, in doing so, it sold a good portion of the agricultural community down the river.

Right now the U.S. is probably in a much stronger position to deal with their products as they enter Canada. Before the free trade deal was announced we could make the GATT work for us. If it did not work for us, we had at least the opportunity to say we would not accept that ruling. Now they have it both ways. If the GATT ruling does not go their way, they can bring in the free trade agreement. If the free trade agreement does not work, they can go to GATT. In both ways we lose, and in both ways they win.

There is much more under this free trade agreement that needs to be looked at as part of the attack on rural Canada. As the leader of the Opposition indicated, the process of harmonization of the structures of the economies of the two countries to the seemingly lowest common denominator is affecting us much more than it is affecting the United States. They do not have to come up to our standards. They do not have to put in the protection that we have tried to put in for our farmers. All of our supply management boards, programs such as stabilization programs—both the crops stabilizations program and the western grain stabilization program—the special wheat programs, the Canadian Wheat Board and the turkey marketing board are in place for a particular purpose, that is, to allow our industries to survive and to give some kind of security to the production of the products that they produce. In the attempt to harmonize with the United States we are being forced to change these directions.

The Minister of Agriculture stood up not too long ago at a meeting and told Canadian farmers that it was about time we had a second generation of marketing boards, that the marketing boards we have now are not going to work. Again he seemed surprised that suddenly there was an attack on marketing boards because of free trade when all along the marketing boards themselves, during the free trade negotiations, were putting before this government and before the committee that studied the free trade agreement the reasons why these marketing boards were going to be under attack.

I notice the minister responsible for grains and oilseeds sitting across the way, Mr. Speaker. He very, very cautiously pointed out, ahead of time of course, that the two-price wheat system would not be affected. Of course it disappeared, but it disappeared a year before the free trade agreement so he could say that the two-price wheat system was not affected by free trade. There are some arguments to suggest that maybe he was right, but it would not have happened when it did except for the free trade agreement, and the negotiations which eliminated it would have been quite different if the free trade agreement had not been pending.

Right now the United States is continuing to use its laws to undermine our agricultural industry. For instance, not too many days ago there was an article in a paper suggesting that the European Economic Community is quite disturbed by the fact that even as it has backed off from developing new markets with subsidy programs, the U.S. has offered millions of tonnes of subsidized wheat to China, one of our traditional markets, and to the Philippines. Both of these are new markets to the United States, although they have made some exports to China before. But the point is that even now when there is a shortage of grain across the world, or at least when our stocks are low, the U.S. is out there still trying to gain a major portion of any new market that arises, to our detriment. They are doing it against a supposed understanding that we have regarding free trade. They are saying, "Well, we had this in place before the enhancement program was in place and we did not say we would get rid of it when we signed the free trade deal. It does not matter what you guys thought, we did not say we would get rid of it, therefore we are going to allow it to continue."

• (1210)

There does not seem to be very much relationship between what they say when they are negotiating and what they really intend to do as far as trade is concerned with the States. In fact they told us very directly that the enhancement program was controlled by the Department of Commerce and that they did not have any control of it in trade, that they could not do anything about it.

What I have been trying to point out is that there is a considerable disaster looming in rural Canada in the agricultural community. That disaster is the cumulative effect of many of the policies of this government and its direction which is based on the supremacy of the market. In every example that I can give you, if the government has been forced to make a decision it has made that decision in favour of the free and open market. It has, in every case, sold the farmer short and said, "We have no responsibility for protecting you".

One of the biggest problems that we have in agriculture today is debt. If you wanted to sum up the problems of agriculture in a couple of words you could say "income" and "debt". If you do not have enough income, you cannot survive. But if you allow the debt to grow and grow, eventually you have a situation with which you cannot deal. Regardless of how you look at it, you cannot deal with security of income because the debt becomes too great. That is the situation we are facing in Canada today.

We have $23 billion of debt across Canada in agriculture. The government has said, off and on, that it was going to do something about it. What has it done about it? On the prairies the financial institutions now hold 1.5 million acres of land. A large portion of that, about a third, is held by the Farm Credit Corporation. That is the direction we have gone in the solving of the debt. Instead of helping him the farmer out, foreclose.

Supply management was a strong security system. It gave to those farmers who were involved in it the secure income that they needed. But what is happening to supply management? In the future, the insecurity of income, along with debt, will eliminate a lot more of the marketing boards. If the Minister of Agriculture has his way and we get a second generation, as he calls them, of marketing boards, you can be sure that that second generation marketing board will be based on the supremacy of the market and not on security for the farmer, because that is the basis under which this government has operated in the past.

We cannot isolate ourselves from the international market but we can be sure that we have some security. The free trade agreement allowed the U.S. to do those things which it thought was necessary to penetrate our market or to guarantee that our products would be cheaper when they came to the United States.

The Acting Speaker (Mr. Paproski): I regret that the member's time has expired. Questions or comments?

Mr. Walker: Mr. Speaker, I enjoyed listening to the comments of the hon. member for Saskatoon—Humboldt. I would like to ask a question but before I do that I would like to make a comment about the general trend on the prairies, which I am sure he recognizes, and that is the trend of the federal government to pull support away from the transformation of western Canada. We are all very saddened by the decline in the family farm and the decline of farm income. But we also must recognize that the federal government has a real role to play in enhancing life in the west through other measures.

For example, last week I attended a conference in Brandon on rural development. Speaker after speaker talked about the lack of initiative in the Western Diversification Fund on issues of community planning. As you know, Mr. Speaker, the structure of the current federal government has the minister responsible for grains, which is a very important commodity in the western economy, also being the minister responsible for western diversification. It is a great surprise to westerners that more money is not forthcoming from western diversification to assist small communities in planning alternate futures. Certainly the attendance at the conference of over 300 people indicates that there is a desire among western Canadians to approach their problems differently. One would only hope that the federal government would see its way to changing its style.

Perhaps I could ask the hon. member who has just spoken on behalf of his party whether he, in fact, in concluding his speech, did endorse our motion, or was seeking a different way of approaching this.

Mr. Hovdebo: Mr. Speaker, I agree with the motion entirely. If I were to fault it at all it would be in the fact that it again tries to deal with only one part of the real disaster that is happening in the rural areas. The GST, the VIA Rail cutbacks, the freight rate increases, rail line abandonment, post office abandonment and high interest rates and negatively. If I had to fault the motion at all, it would be the fact that it has the tendency to deal with only one part of the problem, when the problem is the policies of this government in all of those other areas as well.

Mr. Whittaker: Mr. Speaker, I am from the riding of Okanagan—Similkameen—Merritt and part of that riding is the fertile Okanagan Valley. As I drive through that valley I see hundreds of acres of barren property where one year ago there were grape vines, cherry trees, peach trees and apricot trees. In one year we have seen the start of the destruction in my area of the fruit-growing industry. The Liberal Party has noted this in subparagraph 5 of the motion wherein it states that the government has:

> —failed to create confidence among farmers in the future of the food supply system in Canada and its ability to ensure long-term food security for consumers.

Under the free trade agreement and under the GATT rulings, which the government has failed to appeal on behalf of the farmers in my area, in the past year we have seen a glut in the cherry market in western Canada of Washington state cherries. A lot of farmers in my area who normally ship to these markets found their cherries rotting in cold storage. They were scrambling to find new markets to which their product could be diverted. I spoke to some of the American farmers and found that there is a perception that under the free trade agreement they are free and clear, that they can ship into the market up here, and they are doing so with impunity. They are doing so by offering advertising dollars to the locals to sell their cherry products.

As a result of the heavy debt, farmers no longer have security for the future. They have difficulty in knowing where they are going. Those with debt are going to go under. Those without debt feel that they will survive but it is much tougher now to do so. They have just had a clawback of their apple advances from last year because of the apple market they are in. They do not have sufficient support from this government to ensure that their products are able to keep up to date. The high interest rates make it very difficult for these farmers to purchase the equipment needed to ensure that their farms are upgraded on a constant and continual basis in order to ensure marketability of their product. Can the member for Saskatoon—Humboldt tell us what his opinion is with particular reference to soft fruit, orchard farming and the wine industry? Almost one year after the free trade agreement has come in, what is his impression of what has happened in this area?

• (1220)

Mr. Hovdebo: Mr. Speaker, the Canadian way has always been to protect the farmer enough so he can survive in those particular areas. The free trade agreement did away with that protection. The government recognized, even as it was developing the free trade agreement, that it was going to affect the wine industry and the small fruit industry. It set up some basic support to help those people in the transitional period but it must be understood and recognized that it eliminated a way of life for large numbers of farmers who had been doing well under the system that was there before, and we got nothing in return for it. We get California wine at a slightly cheaper price, but we have eliminated a way of life and security for a large portion of our agricultural population.

What happened in the small fruit industry and the wine industry was very glaring. What is happening in the rest of the industry across Canada is less glaring but it is changing. There is less feeling of security now among farmers than there has ever been before. They do not think that this government is going to do anything to help them out in those circumstances.

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for Prince Albert if he will only get into his own seat. Not this time, but next time.

Mr. Foster: Mr. Speaker, I was interested in the speech of the hon. member for Saskatoon—Humboldt because he raised the whole question of rural agriculture. I am conscious of the fact that the government seems to move unilaterally. In the case of the decision to take oats out from under the control of the Canadian Wheat Board, this was a decision that was opposed at most meetings across western Canada by representatives of the Wheat Board Advisory Committee. These are individuals freely elected from their areas throughout the western prairie provinces. The price of oats had dropped and nine months previously the government had done away with the two-price wheat system which provided some $280 million. I thought the hon. member for Saskatoon—Humboldt would want to respond as to how he sees this decision with regard to oats, especially when many producers are saying we should have some kind of marketing structure for a commodity like canola, whether under the Wheat Board or a parallel structure. A very large percentage of farmers see a need for something like that.

It seems to me that the whole free trade deal militates against orderly marketing on the prairies. But we see this decision with regard to oats as being perhaps the first chink in the dismantling of the Canadian Wheat Board because clearly the large grain companies in the United States have indicated they want to get rid of it. I would just like to hear the hon. member's comments with regard to that decision.

The Acting Speaker (Mr. Paproski): It is an important question, therefore I will allow another minute or so for the hon. member to answer. Again, I would say to the hon. member for Prince Albert that he had better move back one more seat, otherwise he will not be recognized next time.

Mr. Hovdebo: Mr. Speaker, it is, possibly, the first overt attack on the Canadian Wheat Board, I agree with the member on that. It is not, however, the first attack on orderly marketing or on supply management marketing, which is the basic structural part of orderly marketing in this country. The government will tell you that consultation took place. The consultation showed that a large portion of the organizations were against the idea and the grassroots of the farm community was against any weakening of orderly marketing.

Consultation, in the minds of this government, is to talk to the farmers, listen to them, and then do what it intended to do anyway.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I have listened carefully to the speeches that have been made here this morning. In so doing, you realize why a lot of people think this place is so irrelevant. If we would listen to the Leader of the Opposition and the spokesman for the NDP who just concluded speaking, we would think that farming in Canada was going to cease to exist.

Certainly there are problems in Canadian agriculture. There have been problems and there will continue to be problems. But to suggest, as the Leader of the Opposition did twice, that we are started on the road to agricultural dependency—and by that I take it he means dependency for food on another country, namely the United States—is absolute nonsense.

I have never heard such foolishness coming from anybody in the House with regard to agriculture as I heard from the Leader of the Opposition this morning.

I listened to him very carefully. I could not detect one positive thing that he said that we had done. If he did indicate such a thing, I missed it. Certainly, in all the initiatives that we have taken agriculturally, there should have been something that he would have been able to find a little bit of favour with. If he could not, it would have been very nice to have him suggest some alternatives as to what in fact we should be doing. I heard none of that.

In lieu of that I guess I have to look at the record of what the previous government did, of which the Leader of the Opposition was a member. Some of us remember back to the days of the early 1970s when we had a situation fairly similar to what we have experienced here in the last four or five years when we had surpluses of grain and not enough market. The international wheat agreement was in the process of winding down for the simple reason that nobody wanted to pay any attention to it. It was a voluntary agreement, as a lot of international agreements are. Canada lived by, if you will, the spirit, and certainly the letter, of that agreement longer than anybody else. But in response to that the previous government took us right out of the international wheat market, and got us into what was called the LIFT program.

If you remember, Mr. Speaker, in the early 1970s Canada was producing about 18 million tonnes of wheat. With the LIFT program we faced a difficult international situation, no question about it. I can remember oats being sold for three bushels for a dollar, barley selling for 35 to 50 cents a bushel. We faced a very difficult situation.

What did the previous government do? It took us right out of the international market. Our production dropped from 18 million tonnes one year to 9 million tonnes the next. What happened to the United States and the Europeans? They kept right on increasing their production. It took us seven long years to get our production back to the level it was when we started the LIFT program, an absolutely incredible situation. When we had what came to be known as the great grain robbery, which was the period of time when the Soviets came into the market, bought all the grain and drove up prices, we did not have any grain to sell.

• (1230)

Let me contrast that to what this government has done. We faced a very difficult situation, not entirely similar, but in many ways very analogous.

Let me deal with the Europeans and the Americans. Nobody talked about the Europeans. It is all: "blame the Americans for everything". Nobody said anything about the Japanese. But what did the previous government do? They took us right out of the international market.

What did we do? We stayed with the farmers. In a time of very difficult markets we actually increased our market share from something like 19 per cent of the world market in 1986–1987 to 23 per cent two years later, as contrasted to the time of the previous government when our production dropped by 50 per cent.

If we are going to listen to the members who just spoke in the House, they do not offer any alternatives. We have to look at their record. That is their record. Whenever there is a difficult international situation as far as agriculture is concerned, they run, avoid it, don't face up to it. Not only did we increase our market share, we did it at a cost to the Treasury. It was the largest deficit in the history of the Canadian Wheat Board, and they talk about support for the Canadian Wheat Board. The easiest thing would have been to say: "Don't sell. We are in a very difficult situation fiscally, don't sell". We did not do that. We worked with the board and the finance department on a day by day basis. We ran over a $200 million deficit in the pool accounts three years ago. To me that does not look like anything but total support for the Canadian Wheat Board.

Let me talk about what happened to farmers and why farmers are still facing some very difficult situations in this country. You want to talk about interest rates. Farmers have to borrow money. By the way, it is not all gloom and doom. I do not know whether I am going to have enough time to correct all of the misinformation that was put out here so far this morning. I am not in any way signalling that there are no problems. Certainly there are. But some of those problems are coming around getting to be a little less severe than they were one and two years ago.

With regard to interest rates, I have neighbours where I farm who used to listen to the Bank of Canada rate in 1981, 1982 and 1983, as much as they listened to the weather forecast. When you had interest rates that got to a peak in August of 1981 of 22.75 per cent and five-year mortgages were going at 21.75 per cent, you can understand why farmers were concerned.

We talk about the variables that the farmers have to put up with, such as weather, markets, grasshoppers and wind. When you have a farmer who listens as much and pays as much attention to what happens every Thursday over at the Bank of Canada as he does to the weather reports, that tells you something has been going on with the government. A lot of us, including myself and a lot of my neighbours, were crippled by those kind of interest rates. To have the Leader of the Opposition get up and suggest that the policies of this government are going to make Canada less than self-sufficient and that we will have to go and buy food from somebody else and offer no suggestions based on his record it is *Alice in Wonderland*. It is incredible.

Let me tell you what has been happening, Mr. Speaker. We have about a $20 billion industry in agriculture, of which somewhere close to half is exported, which means $8 billion and on occasion over $9 billion worth of exports. From 1986 to 1988, we have doubled the trade surplus in agriculture. We have gone from $1.8 billion as an agricultural trade surplus to $3.6 billion. That does not sound to me like a country that is going to become dependent on somebody else for food.

We export 80 per cent of the wheat that we grow, 70 per cent of the canola, 50 per cent of the barley, and somewhere close to 40 per cent of our hogs. We do not produce pineapples or oranges. We do not produce carrots and lettuce when the ground is frozen and it is 20 below. We know that. We have to import those kind of things. But, on balance, we have been running a $3 billion and $4 billion trade surplus in agricultural products.

For anybody to get up and try to scare consumers in this country and suggest that this country is ever going to be dependent on food from another country is absolute and total rubbish.

Everybody would consider Japan a sovereign country. I have a quote here made by the Leader of the Opposition during the election campaign that I will not use. He says: "You cannot call yourself a sovereign country unless you are self-sufficient in food". I think Japan would be considered a sovereign country. It runs $50 billion to a $60 billion trade surplus on an annual basis. It has a very strong currency. Everybody wants to see it appreciate so we can have better access to its markets.

Japan is at best 60 per cent self-sufficient in food, because it does other things better but Japan has got some very restrict tariffs and some very restrictive measures at its borders that keep us out of that market. Why? Because it wants to protect its farmers, but it wants access to other country's markets for its electronic things. We understand that.

That leads me to the second point I want to make. This government has taken the lead in trying to get some regular and secure access to international markets for agricultural products. The previous government did nothing. It is the first time in 40 years that we have had agriculture on the GATT agenda. Why was it there? Because a lot of us pushed to have it there. At the agenda setting meeting in Punta del Este in the fall of 1986 the Secretary of State for External Affairs played an important role in having agriculture put on the agenda. The Prime Minister has played a role. We have all played a role in terms of seeing that we have better and fairer trade rules.

I am not sure that the previous government were there at all. The thing that sticks in western Canadian minds is a Prime Minister who came out there from the previous government and literally gave us the finger and told us to sell our own wheat. Contrast that to what has happened here. Not only did we continue to sell our wheat, we increased our market share at a time when there were some very difficult international markets. Nobody mentioned Europe.

There are some interesting figures here from Europe that show what has happened as far as European exports are concerned. This is something that we need to bear in mind. We have problems with the Americans, and we readily admit it. We are doing some things to resolve them. Here is what has happened in Europe, largely with subsidies. Europe used to be one of our major customers for wheat. In 1973–74, about 15 years ago, Europe was a net importer as far as grain is concerned of about 13 million tonnes. It is now a next exporter to the tune of 25 million tonnes. That is a turnaround of about 38 million tonnes.

If we are going to talk about international trade, and if we are going to be fair about it, we also have to point out the major problems that we have with Europe. There are some major problems with Europe.

Europeans have a crushing subsidy on some of their oilseed products, their canola. I checked it this morning. It is about 300 ECUs, European currency units. It works out to somewhere close to $400 Canadian. That is the crush subsidy. When a European farmer produces canola, sells it to the crusher, the crusher gets a subsidy to crush European produced products. We do not get it if we send it to them. We are not eligible for that. The subsidy is over $300 a tonne, probably closer to $400 if you do the arithmetic on what 300 European currency units means in Canadian dollars.

Do you know what our price is today to farmers? About $250 to $260 a tonne. That says a little bit about the European community common agricultural policy. In my view we have to start looking at some of those things and see what in fact is legal under the GATT. To get up here and simply talk about all of the things that we have been doing wrong belies the actual situation in Canadian agriculture.

Someone mentioned oats. I do not know who it was in the opposition. Let me tell you what has been happening as far as oats is concerned in the last little while. A week ago today in fact we had an announcement in Portage La Prairie, and not from a multinational. Everybody is talking about the multinationals. A Canadian company—in fact a Manitoba company—is going to start an oat processing facility in Portage La Prairie. It is going to spend $17 million. Just think about this. This is not a multinational, one of the big so-called sisters. I do not know what that has to do with anything anyway, but this is a Manitoba company. It is going to spend $17 million to build an oat processing facility in the town of Portage La Prairie. Why? It gave three reasons.

Let me give you a couple of them at least. It said because of the increased demand for oat and oat products. Because of the way we look at our bodies these days we want more from food than just sustenance. We want a healthy diet. Oats is becoming more and more looked at in terms of something that we need to keep ourselves healthy. That is one reason.

Bill Kent is the president of this outfit. It calls itself CanOat Milling. I think I can find the quote here.

Mr. Kent made the point that if free trade was not there, in all likelihood he would not be spending $17 million to build an oat processing facility. This is an example where free trade has meant jobs. Additionally Manitoba regularly produces between 400,000 and 500,000 tonnes of oats, just to put this into perspective. This one processing facility in Portage La Prairie anticipates processing about 100,000 tonnes, somewhere between 20 per cent and 25 per cent of Manitoba's total oat production now. That is a pretty significant plant.

• (1240)

It estimates that 50 per cent to 70 per cent of that production is going to go to the U.S. market. Without free trade he said he would not be doing it because he has a larger market when Canada and the United States are put together.

We had an announcement a week ago from an outfit called West Glen Milling in conjunction with ConAgra, a very large American outfit in the United States, indicating that they were going to build an oat and barley processing facility in your country, Mr. Speaker, west of Edmonton in a town called Barrhead. Why? Because of the free trade agreement and because it will have access to a larger market.

Do not think for one minute that what is happening in the oat market has anything to do with some of these so-called multinationals. There are a lot of individual Canadians involved, a lot of the small processors. The people who want to set up a cleaning plant in the middle of winter and provide a job for themselves and some of their neighbours now have direct access to some of those markets in the United States, markets that they did not have access to before because of the free trade agreement. That is not in any way an attack on the Canadian Wheat Board. It seems to me that that is something that is done in favour of Canadian farmers.

So when you hear some of these things that are being said and you talk about Canadian agriculture and what is happening, let me give you some interesting points in terms of investment in the food and beverage processing industry. The most recent estimates indicate that capital expenditures on food and beverage processing will be $1.6 billion in 1989, up 13 per cent from last year's actual figures and unchanged from the earlier 1989 forecast of those expenditures. That says a little bit about the faith that people outside of this place have in Canadian agriculture, and the fact that we produce some of the highest quality products in the world and are willing to invest money to further process them. That is value added, that is jobs for Canadians. Instead of shipping the raw product out, we process it here. It provides jobs and a little more stability for some of the smaller communities like Portage La Prairie.

I would like to say a few things about the over-all health of the Canadian agricultural industry. Based on information from farm lenders, it is estimated that some 17,000 farmers—that is a lot of farmers, no question—or 9.5 per cent of all farm borrowers were in arrears in the first quarter of 1989. That is not a particularly happy situation, but compared to a year ago it is better. This represents a decline of 2.3 per cent from the 11.8 per cent in 1988. We are not saying that is ideal, but things are starting to get a little bit better. Over-all arrears fell by 31 per cent from the same period in 1988. Again, we are not saying that is ideal and that there isn't room for improvement, but things are starting to get better.

Federal agri-food expenditures from 1987 to 1988 were $6.1 billion compared to $3.3 billion for the combined federal and provincial agri-food expenditures in 1981-82. Again, it tells you the part that this government has played in working with the agricultural industry in a very difficult time. We did not back away from them like the previous government did in the early 1970s with the LIFT program. We stayed right there and increased our exports at some considerable cost to the Treasury.

The Minister of Finance has done a much better job of managing the economy. We do not have interest rates at the 22 per cent and 25 per cent. Farmers are not paying nearly as much attention to the bank rate. There is no question that there is room for it to come down. We are not saying that we are happy with the present rates, but they are certainly nowhere where they were—up to the 22 per cent, 23 per cent and 24 per cent—in the early 1980s. To suggest again that this government is not doing anything is wrong.

Let me make one other point. People are concerned about the age of farmers. There is concern that there are not enough young farmers entering the farming business. That in fact may be true. It is like asking how many women are elected to the House of Commons. In my view, not enough. We have more every year but there are still not enough. We have more young farmers entering the farming industry every year, but there needs to be more. Think about this. A longer term perspective shows that the age distribution of farm operators in 1986 was almost identical to that of 1931. I am not saying it was ideal in 1931, but things are not quite as bad as you would think by listening to the opposition parties.

I do not know how much time I have left, but perhaps I could conclude on a positive note. I firmly believe that we are going to make some progress in the GATT round. You understand that any agricultural policy that we have in this country has to be based on trade, especially when about 50 cents out of every $1 that a Canadian farmer earns comes from trade. It has to be founded in some sound trade policy. I believe that we are going to make some progress in the GATT round on agriculture. It has taken us 40 years to get where we are, basically with no rules in agriculture. We have the United States with waivers on some of its programs.

Nobody has ever tested the common agricultural policy in the European community to see if it is in accordance with GATT rules. I think we are going to make some progress there.

Nobody said the free trade agreement is perfect. No one has heard me say it is perfect. On the other hand, it gives us a set of rules that are lot more predictable. There are a lot of people out there who think that that predictability is better than what we had before, as indicated by the increase in investment in food processing and, as I mentioned, the announcement made just in the last week by two oat processing facilities in western Canada. Quaker Oats, by the way, is in the process of spending $13 billion in Peterborough on its oat processing facilities there.

But, above all, Canadian agriculture can compete. I have farmed all my life. I would be very happy to compete directly against an American, European, Argentinian, or Japanese farmer, without having in between us national treasuries.

Nobody is talking about having a total abandonment of farmers as far as the government is concerned. The hon. member who just spoke for the NDP talked about supremacy of the market. Nobody is talking about backing away totally from government involvement.

In fact I can make the argument that in today's world there is probably a bigger role for government in setting international trade rules than there ever has been because of the amount of trade that goes on. With a better set of trade rules and with the kind of quality of product that we produce in this country, and the fact that we are competitive on a day by day basis, have more arable land per farmer than anywhere else in the world, good research institutes and a good transportation system, we are going to be competitive.

By working together we are going to continue to see that the consumer of this country is very well served by the Canadian farmer. Together, the farmers, and the provincial and federal governments working together will see that Canadian agriculture continues to serve this country the way it has in the past into the future years.

Mr. Parent: Mr. Speaker, my question is directed to the hon. minister. There were two points that he brought out in his speech that were of particular interest to me. The first one has to do with the fact that he lauded the conditions in Japan where they are, I guess if not to use his words but his thoughts, not completely self-sufficient in food. We all know they are not completely self-sufficient in food in Japan. They have to import a great amount of their food.

The cost of food in Japan, according to the information I have—and I would like the minister to address himself to this—is at least 40 per cent higher than the cost of food in Canada. If that is what he wants for Canada I would like to know his opinion on it.

The second thing is that the minister said that he was and is a farmer. That is very laudable in itself. He said he is not afraid to compete with the United States, nor is any other farmer in Canada, providing we have what his party calls a level playing field.

I address a question to him about the grape farmers in the Niagara Peninsula who this year have had to rip up thousands—I repeat, thousands—of hectares of vineyards, all because of this free trade deal that this minister is lauding. I would like to know what answer he has for the farmers in the Niagara Peninsula who have had to rip up these vineyards.

The minister said in his speech that the free trade deal was not perfect. I would beg to differ with him. I think it is perfect. I think it is perfectly asinine.

Mr. Mayer: Mr. Speaker, I was not lauding or being critical of the situation in Japan. First of all, I was pointing out what the actual situation was in Japan. There really is no comparison between Canada's capacity to feed itself based on a very large land mass and a population of 25 million or 26 million people and a country like Japan with a very limited amount of land available and 120 million or 130 million people. There is no comparison.

• (1250)

The point I was making is that if we as Canadian farmers are to have better access to that market, we are going to be able to sell a lot more product to them. We regularly sell them a little over 1.5 million tonnes of wheat per year. It is very restricted how much we can sell to them because they protect their domestic market. If we are going to have trade that is even both ways, and the Japanese want to have access to other markets but want to protect certain markets at home, then some of those things in my view are going to have to change. I think the Japanese themselves have realized that and are prepared to address that to a certain extent in the present GATT round.

With regard to the situation in the Niagara Peninsula, he is not totally accurate. Some of the problems the vineyards have are also to do with the GATT. He should also know that in the free trade agreement there are some very significant provisions on the horticultural industry concerning some fresh fruits and vegetables. There is a very quick snapback, as it is called, so that if prices over a five-day period vary a great amount from previous prices, there is a provision that we can snap back to a duty to protect that. That is something that the Americans and we have agreed to.

We should remember that are the problems that the Niagara Peninsula is having with grapes is not 100 per cent attributable to the free trade agreement. The big part is with GATT. We do have some significant exceptions to the over-all reduction of tariffs over a 10-year period in the soft fruit and vegetable industry to protect the areas that he talked about.

Mr. Funk: Mr. Speaker, I noted your previous admonishment about being in the wrong seat. I guess I find it hard to separate myself that far from the previous member for Prince Albert who is a very good friend of mine.

I would like to take up the challenge that the minister left with us. I think he is listening to different voices from what I am hearing and other opposition members are hearing from the farm community. I am wondering if he has even heard the voices from his own convention.

Nevertheless, he did leave the challenge for the Opposition to come up with some alternatives. I will mention two that the government rejected. One was to use a crop insurance based drought program, which I think he might even now concede might well have solved a lot of the problems which many of us are still experiencing in dealing with that program.

Second, just last week or the week before the hon. member for Mackenzie rose with a Private Member's Bill which in principle asked the government and all members here to endorse the concept of including farm-fed grain under stabilization which although the government members said was a good idea they opposed. There were two alternatives.

I would like to ask specifically about a third one. The minister did speak about the situation concerning oats. He must remember that most major farm organizations and 70 per cent of farmers opposed taking oats out of the Wheat Board and were certainly happy to see value added activity. I think that could have happened under the Wheat Board.

Nevertheless, I would like to ask the minister this question. He indicated that 70 per cent of canola is exported. Canola is a major market. The Canadian Wheat Board is our major guarantee for access to the international market. It has worked well for years. Is the minister prepared to put the question in a plebiscite to farmers, yes or no, as to whether farmers in the Wheat Board area want canola under the Wheat Board. If he is not for some reason, would he be prepared to accept the results of such a plebiscite if organized by a major farm organization or farm organizations in western Canada?

Mr. Mayer: The hon. member talks about the crop insurance based drought program. That is exactly what we did. If you look at the drought program, what farmers wanted us to do was to have a targeted program. We topped up crop insurance both on the yield and on the price side.

If he is suggesting, which I do not think he is, that we should have only provided assistance to producers that had crop insurance, then that would have been a terrible injustice. It would have meant that producers who did not have crop insurance would not have received any drought payment. We should know that the drought program was and is based on crop insurance data.

Second, he talks about farm-fed grain. He should go back and look at the previous House when the Standing Committee on Agriculture was chaired by the hon. member for Brandon—Souris and the standing committee undertook a review of western grain stabilization. I was the first person the committee called. I asked the committee to look at a way of including farm-fed grain in western grain stabilization.

The committee came back and said on a practical matter that it did not know how it could do it. If there is a way of doing it that makes sense which is administratively feasible, we are prepared to look at it. The member should go back and look at the report of the committee to see what was said. Some of his own members sat on that committee. They came back with a recommendation which said that while it is a good idea, they did not know how they could do it.

With regard to canola, this is a very involved situation. Before we jump holus-bolus into a marketing board—and I said that I do not have any particular philosophical hang-ups one way or another, and there are some arguments that I can make in favour of a marketing board for canola and there are some concerns about it—the member had better ask the major customers. About 90 per cent of the raw seed that we export goes to the Japanese. Ask your major customers what they think.

We know what happened in 1973 when the U.S. embargoed the sale of soybeans to the Japanese. Brazil now produces about 18 million to 20 million tonnes of soybeans, whereas 15 years ago it produced hardly any.

It is find to stand up here and say, on a philosophical basis: "Give everything to a marketing board". The member better understand—and we are not saying that we have to be totally beholden to our customer—that it is a very involved issue. There are more things to it than just simply as I said jumping up in your seat and saying, on a philosophical basis: "Give everything to a board". There are some good points and there are some other things that have to be addressed before we want to jump into that kind of a situation.

Mr. Milliken: Mr. Speaker, I rise on a point of order. Before my learned colleague begins his speech, there have been discussions among the parties and I think you would find, Mr. Speaker, disposition for a House order that when Your Honour calls a member of a party for debate during the 20 minutes that is normally allotted for that speaker, it would be possible for the party at its option to divide the 20 minutes into two periods of 10 minutes. Each ten-minute period would be followed by a five-minute question and comment period.

I can say for the record that for our party for the remainder of the day it is our intention to follow that practice with each of our speakers. So that when Your Honour chooses to recognize a Liberal speaker there would be then two speakers in succession, each with ten minutes and five minutes for questions and comments.

I believe the same will apply for the government party, except on the occasion when a minister may wish to address the House. I understand that the New Democratic Party wishes to follow the usual 20-minute regimen. I wonder if there would be an understanding that we proceed for the rest of the day on that basis.

Mr. Cardiff: Mr. Speaker, the government would agree to that proposal.

Mr. Riis: Mr. Speaker, we are prepared to support the notion of each political party making a decision at the time of their speaker. At the moment our preference would be to continue as the practice would have it, but with the option of changing it if we wished.

The Acting Speaker (Mr. Paproski): The hon. member for Algoma has the floor.

Mr. Foster: Mr. Speaker, there are some differences between the clocks, but they all look to be at about 12.59 p.m. I wonder if we might agree to call it one o'clock.

The Acting Speaker (Mr. Paproski): Is there agreement?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): It being one o'clock, I do now leave the chair until two o'clock this day.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

THE CONSTITUTION

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, in recent days, there have been deep debates in the country on the Meech Lake Accord. Unfortunately, some regrettable statements have been made, describing Manitoba's position as anti-Quebec, even racist. Ms. Carstairs was right to ask for an apology for *Le Devoir*'s cartoon: it does not reflect reality. The Manitoba report presents the honest position of Manitobans on this agreement.

In addition, the Reform Party of Canada made unacceptable comments when it said that Quebec could leave Canada. We must admit that Quebec has been waiting for a constitutional agreement for years.

We must put an end to this climate of animosity. We must not forget the efforts of Canadians in all regions to preserve the rights of francophones and anglophones.

This is clearly the time to begin an honest and serious debate. The Prime Minister must finally show leadership and find a solution to this problem in a constructive spirit.

* * *

NORTHERN TAX BENEFITS

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the report of the task force on financial compensation for isolated northern communities recommends that only those north of 51*sco*ro.05' parallel, North latitude, be eligible for financial compensation.

Matagami, Joutel, Lebel-sur-Quévillon, Desmaraisville, Waswanipi, Miquelon and other places in Quebec will not be able to benefit from this fiscal policy, according to the task force.

The concerns of us northerners are not the same as those in the South and tax incentives are necessary to attract people to remote regions. The inhabitants of the towns just mentioned should be compensated for the various hardships they face.

Mr. Speaker, the cost of living is high in the North because more fuel is used and the price of food and clothing is higher. I am strongly opposed to the report tabled last week by this task force.

* * *

SCIENCE

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, the minister of finance and technology expressed surprise that fewer and fewer of our young people seem to be enthusiastic for science and engineering.

[*English*]

The minister seeks an explanation. Consider the quality of the teaching of science and mathematics in the high schools and universities. Consider the absence of any real federal or provincial initiatives in setting national educational priorities. Consider the disgraceful condition of university research laboratories, inadequate operational funds and faculty salaries. Consider the cutbacks in EPF and the failure of government to accept the Lortie report's recommendation for doubling of university research dollars. Consider the predominance of foreign ownership of Canadian industry. Consider the free trade agreement with its acquisition rules, procurement rules and subsidy limits, and its role in keeping Canada a resource based economy. Consider the stories of Connaught, Lumitron and Northern Telecom. Then ask not why our youth do not value science and engineering. Ask what really is the message they get from government.

S. O. 31

PROPOSED GOODS AND SERVICES TAX

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, in the riding of Elk Island a hard working music producer in the Sherwood Park area has informed me that the current manufacturer's sales tax is crippling the western Canadian music industry.

This Albertan is well known for his contributions to Canadian music as a performer and as a producer. He said that under the current federal sales tax, the MST, Alberta record stores are required to pay the federal sales tax before their product is sold. He recommends a federal sales tax at the point of consumption rather than at the point of production. He says that the GST will help.

We must work together to diversify the economy of western Canada. Our government must take a leadership role in helping the music industry in western Canada. The Government of Canada must replace the existing federal sales tax, the MST, in order to build a stronger economy in western Canada.

* * *

MEECH LAKE ACCORD

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, I want to appeal for moderation and goodwill in the continuing Meech Lake Accord debate. The implications of this issue for Quebec and all of Canada are too serious to be left to demagoguery, threats and accusations.

The discussion is becoming divisive and destructive and there is extremism on both sides. I accept the distinctiveness of Quebec and agreed to its original five conditions, but the Meech accord goes beyond those conditions and impacts on many other matters.

Those who propose amendments are not anti–Quebec, nor is Quebec anti–Canadian because it wishes to protect its distinct language and culture in an English North America.

I plead with the government to bring both sides together so that Quebec can live comfortably within Confederation and so that Canada will continue to thrive nationally as a strong political unit.

CANADIAN COAST GUARD

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, as a Member of Parliament for a Nova Scotia riding bordering on the Bay of Fundy and the Northumberland Strait, I would like to say that my experience in dealing with the Coast Guard has been nothing but positive in every respect.

Recently, the residents of an area of my riding which suffers high unemployment asked me to approach the Coast Guard in the interest of utilizing two Coast Guard lighthouses to enhance their tourist potential. The local director of the Coast Guard, Mr. Larry Wilson, and his associate, Wilford Tucker, responded immediately by sending a representative to meet with the residents to find out what they wanted and how the Coast Guard could be of assistance.

The happy conclusion was that the Spencer's Island lighthouse was turned over to the community, and the grounds and buildings of the Cape D'Or lighthouse were made available to the community of Advocate.

On behalf of the people of Spencer's Island, the people of Advocate, and myself, I would like to thank Larry Wilson and his staff at the Coast Guard not only for what they did but also how they did it.

* * *

MEECH LAKE ACCORD

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, deep concern and mistrust over the Constitution and the Meech Lake Accord are tearing our country apart and the time has come for strong leadership by the Prime Minister.

There is disquiet and discontent out there and the Prime Minister must listen. I fear people are settling into entrenched camps which is destructive for the country and can only be stopped by principled leadership that will listen, understand, and advance solutions that overcome insecurities.

Ultimately, the federal government must safeguard and promote the national interest for all Canadians. Let's end the confrontation. The Prime Minister must restore calm and begin building a consensus. We must make our nation more united by Constitutional change, not divided by it.

It is not a question of Quebec versus Canada, nor one of a deadline, but about responding with openness and honesty to legitimate and sincere differences of opinion from all parts of our country.

The Prime Minister must emerge from the First Minister's meeting with an agenda for dialogue in either official language that brings parties together towards a solution allowing all Canadians to live in mutual harmony and with respect for each other.

* * *

AUDITOR GENERAL'S REPORT

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, this year's Auditor General's report overstepped the bounds of speculative criticism by unfairly reporting on the Sugar Beet Tripartite Stabilization Program. The Auditor General bases his criticisms on the requirement of the Agricultural Stabilization Act to run programs that are financially self-sufficient.

How, in 1989, can the Auditor General be so critical of a program that only started in 1987? He concludes that the sugar beet program is not self-sustaining.

The Sugar Beet Tripartite Program is a 10-year program. Prices have fallen below predicted levels and costs of production have risen very quickly. Over the next eight years, it is not unreasonable to predict that prices will rise and the program, in fact, will sustain itself.

If the Auditor General really wants to assess the impact of federal spending, I suggest he review the impact of our foreign aid spending that increased the production of sugar cane in Caribbean countries and helped drive down the international price of sugar. The Auditor General would be much better off if he understood the magnitude of problems facing agriculture before commenting on them.

* * *

[*Translation*]

ORGANIZATION OF AMERICAN STATES

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, Canada's decision to join the Organization of American States, where it has had the status of permanent observer since 1972, will enable the Canadian Government to play a more active role on the international scene.

The Organization of American States is the oldest regional organization in the world, and its basic objectives are to promote and reinforce peace, security, solidarity and economic and social development, in addition to protecting the independence and territorial integrity of its member States, which currently number 32.

Through our membership in the OAS, we have become full-fledged citizens of the Americas. Canada, because of its strength, its history and its economic presence, will have a very important role to play in this organization.

Our membership will encourage stronger ties between OAS agencies and interested organizations in the public and private sector in this country.

Even if some heads of State are less amenable than others, the OAS promotes discussion, understanding and co-operation in areas that concern all governments.

* * *

• (1410)

[*English*]

WOMEN'S RIGHTS

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, on January 28, 1988, the Supreme Court ruled that Section 251 of the Criminal Code contravened the rights of women under the Charter of Rights and Freedoms in Canada. Following this decision, the government promised that it would enact a new law, and it attempted to produce a consensus. It failed on both counts.

The government then said it would hold off until the Supreme Court ruled on Borowski. On March 9, 1989, the Supreme Court ruled unanimously that there is no longer an issue because the law was unconstitutional.

The Supreme Court sent a strong signal to this House. The function of the Court is to interpret and the function of this House is to make law. The onus is on this government to introduce legislation which will fill the current void or tell Canadians they have no intention to introduce legislation at all. The Daigle and Dodd cases are unacceptable.

Many Canadians want to know when the government will act in this regard.

S. O. 31

CANADA CAREER WEEK

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, October 29 to November 4, 1989, has been designated Canada Career Week. This week is an opportunity for young people to become more aware of the changing aspects of employment and the importance of career planning. Young people must be encouraged to take advantage of the facilities and help provided by the local Canada Employment Centres as well as organizations such as the Niagara Peninsula Industry Education Council and career counselling centres in my area. These organizations increase awareness of labour market trends and stress the importance of career planning.

This year's theme, "Careers in Focus", highlights the positive opportunities that come with technological change. It provides an excellent forum for showing young people that they can take advantage of the opportunities presented by change and carefully plan their education in order to manage that change and achieve maximum benefits in their lives.

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TERMINAL 3—PEARSON INTERNATIONAL AIRPORT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, when it comes to building airports, it is not what you know but who you know in the Conservative government that counts. A former Conservative MP received $390,000 from the developers who were awarded the $380 million contract for Terminal 3 at Pearson Airport.

You might ask, Mr. Speaker, what does Mr. Lundrigan know about airports. Well, apparently very little, but he did say that he was an expert on political systems and finances. Mr. Lundrigan said that his clients were "aggressive" and that "they do make waves in Toronto", so that was why they needed his expertise.

This sort of revelation breeds cynicism amongst Canadians about how their government works. Why would the developer hire a consultant who knows absolutely nothing about the contract it has bid on? What expertise from this consultant, other than selling access to government officials, is worth $390,000?

At a time when Canadians are being told of the virtues of restraint and austerity by the federal government, it is absolutely essential that an example be set in the awarding of government contracts. Does the government not realize that if these sorts of fees are being charged for so-called consultancy by its friends then this will mean higher costs for the contracts?

The Lobbyists Registration Act is of no help because it does not tell us the sorts of fees that are being paid for awarding government contracts. We know that Mr. Lundrigan received $390,000, but we do not know how much the major player in the deal, Government Consultants International, were paid. Canadians were promised transparency in government, but it seems that only the promise is paper-thin.

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PROPOSED GOODS AND SERVICES TAX

Mr. Peter L. McCreath (South Shore): Mr. Speaker, this morning I was approached by a young woman on the Sparks Street Mall who passed me a flyer and encouraged me to come to the rally against the GST. "What is the GST?", I asked. "The general sales tax", she replied. "Can you explain it to me?", I asked. "No, I do not know much about it", she said. "Well", I said, "before you campaign actively against it, don't you think you ought to inform yourself about it starting with the name, for it is the goods and services tax, not the general sales tax?"

It is very difficult for Canadians to be well-informed about the GST, given the negativism and efforts at obfuscation by so many members opposite.

Canadians are free to like or dislike tax reform, the GST, or any other measure of government they please. But good government most often occurs within the environment of an informed electorate and constructive opposition.

I urge the government to renew its efforts through public advertising, if necessary, to see that Canadians are truly informed as to what the GST is and what it is not so that they can make an informed decision about it.

ORAL QUESTION PERIOD

[*English*]

ORGANIZATION OF AMERICAN STATES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. I, and I am sure thousands of other Canadians, are appalled by the hypocrisy of the Prime Minister's speech in Costa Rica. The Prime Minister told Latin American leaders how concerned he was about Third World debt. He told them how concerned he was about poverty in Latin America, how concerned he was for the need for foreign aid.

Why didn't the Prime Minister tell Latin American leaders according to the official estimates of the Canadian International Development Agency, the current report given to Parliament, that out of his great concern for poverty in Latin America he has cut developmental assistance to Latin American countries by over $20 million this year?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Leader of the Opposition may have been disappointed at the Prime Minister's speech in Costa Rica. I can tell him that all of the heads of governments of Latin America, the Caribbean, and of North America very much welcomed, not simply the joining by Canada of the Organization of American States, but the clear indication that now Latin America, our neighbour in this hemisphere, is going to be a major priority of this government as we play our full role not only in the rest of the world but also in this hemisphere.

With regard to aid, the Leader of the Opposition knows better than anyone else that the reason there have been reductions in the levels of ODA expenditure is because this government was faced with a massive deficit created by the Right Hon. Leader of the Opposition and by his colleagues when they were in government. We cannot ignore that deficit, nor can we pretend like ODA. What we have done is undertaken a program that keeps our commitment to get the deficit down and allows Canada to play a leading role in contributing to international development in Latin America and all around the world.

Mr. Turner (Vancouver Quadra): Mr. Speaker, why in those circumstances didn't the Prime Minister come clean with his Latin American colleagues that he was cutting aid to their region, instead of extolling himself and his government in a flowery speech to the Costa Rican audience?

Part of a precondition to any membership in that organization should have been a meaningful presence diplomatically and a meaningful presence in terms of aid in the region and, indeed, a full parliamentary and public discussion preceding that decision.

[*Translation*]

Mr. Speaker, in the same speech to Latin American leaders, the Prime Minister said that external debt problems in this region were a cause for great concern, and that he intended to help them. Again, why didn't the Prime Minister tell the Latin American leaders that last April, the Canadian Government cut Canadian aid to the Inter-American Development Bank by more than 40 per cent, and assistance given to the Caribbean Development Bank by more than 80 per cent? Isn't this rank hypocrisy?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know the Leader of the Opposition will or would be both surprised and pleased to hear that all government leaders present last Friday and Saturday congratulated not only Canada and the Canadian Government for having taken this important initiative to enhance Canada's relations with Latin America. I think it is also important to point out that Canada's decision was approved by a great Canadian, the Hon. Paul Martin, Senior, who said today in a report that Canada's decision to play a more active role in the OAS was long overdue.

As far as the debt is concerned, the Leader of the Opposition knows pefectly well that Canada played an important part in dealing with Mexico's debt under the Brady Plan, that the Minister of Finance led an important initiative to help Guyana, and that all members of the Commonwealth attending the conference in Kuala Lumpur thanked us for the generosity of all Canadians.

• (1420)

Mr. Turner (Vancouver Quadra): Mr. Speaker, it is true that since the day he made his first speech in the House in 1935, Paul Martin had considered this possibility, but even Mr. Martin would be sorry to hear this morning that the Government's actions are a direct contradiction of its statements.

As for Parliament, it certainly did not condone this error, Mr. Speaker. Parliament didn't even consider the OAS membership.

[*English*]

In the same speech the Prime Minister told Latin Americans how concerned he was that 40 million Latin Americans lived in abysmal poverty. He told them that he was concerned that half the adults in Latin America do not have a full-time job and how concerned he was about the increasing infant mortality rate.

If the Prime Minister is so concerned about these issues and about world poverty, why did he cut humanitarian food aid by $46 million this year? Why has he cut the amount of food that Canada gives to the poorest of the poor in this world?

Mr. Mulroney: Mr. Speaker, my right hon. friend is quoting from someone else's speech. I never gave the speech or the extracts that my hon. friend has just quoted.

Mr. Axworthy (Winnipeg South Centre): That's right. You never say those things.

Mr. Mulroney: Mr. Speaker, my right hon. friend, unless I misunderstood him, has suggested that I issued that particular statement which I did not. It does not mean that I disagree with some of the things that my right hon. friend says, but I did not make those remarks.

He also says that this matter was never considered by the House. My information is that Canada's membership in the OAS was considered very actively and thoroughly by a committee of this House in 1982.

Mr. Axworthy (Winnipeg South Centre): Seven years ago.

Mr. Mulroney: It is true, Mr. Speaker, that seven years is a long time in politics. The Liberals were in a majority. They made a recommendation, as I understand it, that Canada should join the OAS. Paul Martin, Sr., recommended it 35 years ago, and this government has done it.

PROPOSED GOODS AND SERVICES TAX

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, my question is for the Minister of Finance. Today at noon thousands of Canadians came to Parliament Hill and called on the government to drop the goods and services tax.

Some Hon. Members: Oh, oh!

Mr. Speaker: The hon. member has the floor.

Mr. Harb: Mr. Speaker, obviously my colleagues can hear whatever they like to hear. Today at noon thousands of Canadians came to Parliament Hill and called on the Government to drop the goods and services tax. What more do Canadians have to do to make this government listen and drop this unfair and unholy tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not like to contradict my hon. friend's numbers, but I was advised by people that the media had done a count, which was somewhere around 300, or possibly 350.

The right hon. Leader of the Opposition made some comments. I think we should go back to figure out how he counted back in the time when he was the Minister of Finance. Government spending was increasing at a rate of 29 per cent per annum in his last year as Minister of Finance. When government spending is increasing at that rate, that is the sort of thing that leads to high levels of taxes.

Mr. Turner (Vancouver Quadra): Did you bring down a surplus?

Mr. Wilson (Etobicoke Centre): The hon. member talks again about his surplus, the surplus that he had in his first year as Minister of Finance.

Mr. Turner (Vancouver Quadra): Two in a row.

Mr. Wilson (Etobicoke Centre): I think the right hon. gentleman is talking about the surpluses that he inherited and then we went straight down hill from there as a country as he led us into deficit after deficit.

Mr. Harb: Mr. Speaker, if anything, it is the smugness of this government that is ignoring millions of Canadians across the country from coast to coast. Eighty per cent of Canadians are opposed to this goods and services tax.

My question is for the Minister.

[*Translation*]

Across the country, millions of Canadians have said no to this tax. When will the Government listen to Canadians and withdraw the GST? When?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I am very much aware that Canadians do not like paying taxes. I do not think anybody likes taxes, but we all understand that taxes are necessary if we want to have the programs and services that Canadians demand.

I am sure that when my hon. friend spoke to the group of people that were on Parliament Hill today he took a good deal of time to explain to Canadians the nature of this tax, not just use rhetoric. I am sure that is exactly what he did. It is important for Canadians to understand the details of the tax, how it is going to benefit low-income people, how it is going to benefit our exporting industries and how it is going to benefit small business by removing the tax on their inventories. The members opposite say, "Come on, Mike". These are the facts.

Ms. Clancy: We say how?

Mr. Wilson (Etobicoke Centre): My friend from Halifax says "how". I would suggest she read some of the documentation and that is where she will find the answers to all of these benefits.

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ORGANIZATION OF AMERICAN STATES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is addressed to the Prime Minister. The Prime Minister has just returned from Central America and in a few weeks he leaves for the Soviet Union. I would like to first ask him about his trip to Central America.

As he will know, previous Canadian Prime Ministers and heads of government in Latin America have often expressed the concern about Canadian membership in OAS in relationship to the power American foreign policy seems to play within that organization.

I would like to ask the Prime Minister how he can really believe we will be in a position to have independent sources of information that are crucial to an independent Canadian policy when our government has announced cut-backs in our foreign service in Ecuador, Brazil and Guatemala. Is this not a contradiction to be joining OAS precisely at the time we are cutting back on our diplomatic service?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is never obviously a perfect time to do anything. You make value judgments about problems and opportunities and that is what a government is supposed to do.

I tell my hon. friend that we were well satisfied after the visit to Central America that this is a decision very much applauded by all governments in Latin America. They view the Canadian presence there in an extremely positive way.

I refer my hon. friend to some observations made by a distinguished Canadian, the Hon. Paul Martin, Sr. who as minister of external affairs promoted this idea for many years. It is a value judgment that the Government of Canada made. Past governments have refused to join the OAS. This government believes the time was right, that the opportunities are there, and we believed it was appropriate for this government to provide the leadership for this to come about.

Mr. Broadbent: Mr. Speaker, the Prime Minister's answer had nothing to do with the question which was how are we going to have an independent policy if we do not have people on the ground to give us independent information?

With reference to the need to have an independent foreign policy in this country, on the weekend the former Canadian ambassador for disarmament had this to say about American pressure in Canadian foreign policy. He said that the Secretary of State for External Affairs himself had been pressed by the Americans to stop Mr. Roche from his pursuing disarmament matters at the UN in the manner that he was. Mr. Roche specifically said that the Secretary of State for External Affairs said his work was "too vigorous" in pressing for disarmament.

• (1430)

I ask the Secretary of State for External Affairs, is Mr. Roche accurate in this? Did the United States put direct pressure on the Secretary of State for External Affairs and, if so, what was the Canadian response?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, to answer the direct question correctly, the United States did not put direct pressure on me with respect to Canadian policy.

Now if the Leader of the New Democratic Party is suggesting that in the world of international affairs other countries do not express their views to the foreign minister of Canada then he is living in some kind of a dream world. I have received suggestions about Canadian policy from his friend Daniel Ortega of Nicaragua.

Mr. Broadbent: Our friend is the President of Costa Rica. Talk to your boss.

Mr. Clark (Yellowhead): I have received suggestions about Canadian foreign policy from officials of the United States. I have received them from a number of other people. Our rule is whatever other foreign governments might suggest about Canadian policy, we set Canadian policy here in Canada for Canadian reasons. That has been our practice, that will continue to be our practice.

Mr. Broadbent: Mr. Speaker, I say to the Secretary of State for External Affairs that it was not the New Democratic Party, it was Mr. Roche, a former Conservative MP, a former Canadian Ambassador for Disarmament who said this pressure was put on the Government of Canada; it did not come from this side. The minister did not answer the question in an appropriate way, and he knows it.

* * *

EXTERNAL AFFAIRS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to direct a supplementary to the same minister or the Prime Minister, who is going to the Soviet Union. The Soviet Union has on a number of occasions recently talked about creating a nuclear free zone in the Arctic. Recently Mr. Gorbachev was in Finland again and he repeated the proposal. Canada has always been cool to this suggestion. I want to ask the Prime Minister if when he goes to the Soviet Union he will respond seriously to this suggestion by the Soviet Union, including asking questions about the Soviet armaments they have in the Kola Peninsula? Instead of reacting in a *carte blanche* negative way which the United States has to this, will he accept and propose a positive response on this important matter?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, yes, indeed. I propose to review with the President of the Soviet Union all avenues of co–operation and to explore with him and his colleagues all reasonable opportunities for progress and for a greater degree of stability.

I really do not know why my friend is so exercised in putting questions to the Secretary of State for External Affairs or to me in this regard. I doubt if there has been a greater degree of disengagement by the superpowers than in the last two or three years. I think that any fair–minded person would say that this results on the one hand from a great degree of leadership from the new President of the Soviet Union and also a great degree of firmness and leadership from the President of the United States and the leaders of the NATO countries in solidarity. It is generally recognized that we are entering a new era of hope and opportunity and I would have thought my hon. friend would celebrate that rather than be carping and negative as he enters his—

An Hon. Member: Swan song.

An Hon. Member: Twilight years.

Mr. Mulroney: The twilight years of a very distinguished career.

Some Hon. Members: Hear, hear!

* * *

ORGANIZATION OF AMERICAN STATES

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Secretary of State for External Affairs. According to the U.S. Department of State 1988 report to Congress on human rights practices around the world, as many as 20 of the 32 OAS member countries have been accused of human rights abuses. Of those, nine are known to have frequent disappearances, political killings and tortures.

I ask the Secretary of State for External Affairs, now that Canada has joined the OAS without public consultation, how does the government intend to monitor these violations and how does it plan to contend with these abuses?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is an interesting theme running through these questions. Are we to assume that the Liberal party believes that Canada should not play a leading role in this hemisphere?

Mr. Allmand: You should have an agenda.

Mr. Clark (Yellowhead): Is it the position of the Liberal party that we should not be in the OAS? I would appreciate some clarification.

Mr. Turner (Vancouver Quadra): Know what you are doing before you do it.

An Hon. Member: Where is Paul Martin when we need him.

Mr. Clark (Yellowhead): I know the Liberal party on several earlier occasions has preached a kind of isolationism. They made it clear that we should not play a leading role in the hemisphere. We believe that Canada should play that kind of leading role and I would be interested in knowing the position of the Liberal party.

We did not wait to join the OAS to make representations to Latin American governments regarding the question of human rights. We make those representations regularly and effectively. We will continue to do that. If anything, our membership in the OAS will increase our capacity to make those representations for respect for human rights far more effectively.

Indeed, if the hon. member would read the speech that was given to the meeting in Costa Rica on Friday, he would notice that among the themes upon which the Prime Minister laid emphasis was precisely the question of human rights and the essential relation between human rights and democracy, both of which we encourage by our active presence in Latin America. I am sorry to see that the Liberal party wants to draw back from our obligations in this hemisphere.

Some Hon. Members: Hear, hear!

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is to the Prime Minister. Perhaps I can clarify to the Secretary of State what our policy is. The Liberal statement released on OAS membership stated that membership in the OAS cannot be used as a proxy for substantive policy for Latin America.

Some Hon. Members: Hear, hear!

Mrs. Stewart: Policy should not be developed without consultation. The Secretary of State, if I heard right, said he had suggestions from the U.S. and Ortega about our relationship in Latin America. Why did this government in this parliamentary session not consult with Parliament's own Standing Committee on External Affairs and International Trade and Canadian non-government organizations before grandstanding an empty policy in Costa Rica? Will the Prime Minister now appear before the committee to justify his move?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that of course is an old question that was raised two or three weeks ago and answered two or three weeks ago.

I understand that there will be an invitation extended to me to come before the standing committee and I look forward to doing that as I have regularly throughout my time as Secretary of State for External Affairs appeared before standing committees to discuss public policy with the members of that committee.

There is an obligation upon national governments to make decisions, to take actions in the national interest. We believe that it is time to contribute, to add more force to an already effective Canadian policy respecting Latin America by joining the organization that draws together the countries of that region and provides a political forum.

The OAS is far from being a perfect organization. We believe that Canada's role in that organization can help strengthen it as the role of Canada in the last four years has markedly strengthened the Commonwealth and as the role of Canada in the last four years has not only strengthened but has allowed the creation of la francophonie.

There may be some in this House who think that we should be drawing away from international organizations. We believe that there is a particular Canadian capacity to strengthen those organizations, and we think it is appropriate for us to apply those Canadian talents in Latin American in our own neighbourhood.

Some Hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, the Deputy Prime Minister said that he would be very open to suggestions as to how to cut the deficit. I have a suggestion today for the Prime Minister.

The Toronto Star tells us that the Prime Minister had his armoured limousine flown to Costa Rica with an additional one to serve as a back-up. What a waste. They could not be used because there was no unleaded gas in the country to put in them.

My question to the Prime Minister is this: When is the Prime Minister going to come back down to earth and realize that the Canadian taxpayers are the ones who are paying for his moments of illusions of grandeur?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

• (1440)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there are some questions that go beyond the very flexible standards of this House. I think the insinuation of that question is one of them.

Let me make two facts known to the hon. member. I think he might know them already. The first is that decision was not taken by the Prime Minister. It was a decision taken by the Royal Canadian Mounted Police who are responsible for the security in Canada and abroad of members of the government and of officers of Parliament, including the Right Hon. Leader of the Opposition.

They made an assessment that the security situation in that meeting, at which was present, for example, the President of Colombia, that the security situation was sufficient that it required unusual precautions to be taken. I point out to the hon. member, and this may not be of much interest to him, that there were frequent assassination threats issued upon people who were present at that meeting. During the presence of the President of Colombia at the Costa Rica meeting there was in fact a continuation of the series of assassinations and bombings in his country.

We have a choice. We can back away from the struggles of that continent, we can back away from the fight against drugs, or we can take our role to try to help the other countries of the Americas deal with serious problems that affect this whole hemisphere. We believe it is important for Canada to be there and if the RCMP says that the Prime Minister of Canada should enjoy security while he is there then I think most Canadians would accept the advice of the Royal Canadian Mounted Police.

Some Hon. Members: Hear, hear!

Mr. Hopkins: Mr. Speaker, it is always great when you can back up and blame the RCMP. Who runs the RCMP? They are under this government.

Some Hon. Members: Shame!

Mr. Hopkins: That is where they are. In addition to the limousine fiasco, the Prime Minister had, at times, an entourage of some 41 to 60 secretaries, advisers, valets, bodyguards and other functionaries with him during his 18 day trip to Kuala Lumpur and Costa Rica. This was double the number that Great Britain's Margaret Thatcher had. When is the Prime Minister going to practice what he preaches, tighten his belt and set an example for all Canadians? It is no wonder the Minister of Finance has to levy a 9 per cent GST in this country.

Mr. Clark (Yellowhead): Mr. Speaker, it is an interesting revelation that Liberal members of this House believe that the government of the day runs and directs the RCMP. That is not the practice of this government, although it may well have been the practice of Liberal governments in the past.

Second, the figures quoted by the hon. member are distorted and are false. Third, we have just heard from the leader of the New Democratic Party the importance of having available to Canada when we are engaged in important international conferences and important international decisions the best Canadian advice available. The Prime Minister was dealing directly in the two conferences from which he has just returned with 65 heads of other governments. We dealt with important questions ranging from trying to fight drug trafficking through to trying to protect the environment to trying to find ways in which we can deal with the burden of debt upon low income countries, not to mention questions with regard to the situation in southern Africa.

Of course we had advisers there to help us ensure that Canadian policy was effective and I think that the hon. member will find when he looks to the testimony of other participants in that conference that Canadian policy on those matters has been effective.

PROPOSED GOODS AND SERVICES TAX

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my question is directed to the Minister of Finance. A major potential loophole for evading the goods and services tax is now emerging around land and housing.

Developers will, prior to the GST being implemented, simply transfer land and houses into a numbered company and then sell the shares of these companies. Of course, the sale of shares is exempt from the goods and services tax. In view of the mounting opposition to the goods and services tax, the increased confusion around the implementation of the tax, including statements made by the chairman of the finance committee on taxing new houses, the statements made by the Auditor General about the inability of the government to collect the tax and now a major loophole in the ability of the government to collect the tax on housing and land, will the minister withdraw this ill conceived goods and services tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have read of the comments made by certain people in the housing sector. The advice that I have received is that that is a very, very limited opportunity. We are grateful to receive this type of advice during the consultation period, before we put final legislation to the House, so we can address this type of problem and other problems which are bound to develop as people get a better understanding of the tax. That clearly is a reason why it is important that we have this period of consultation and why we get to Canadian individuals as much information as we can about the nature of the tax.

Mr. Karpoff: Mr. Speaker, what is obviously happening is that they are giving out the information to help their friends evade the tax.

In British Columbia holding companies have been purchasing buildings in order to avoid the 1 per cent sales tax on the provincial property. There is a 1 per cent sales tax on property in B.C. and they have been putting the buildings in the names of holding companies. If this is done to avoid a 1 per cent sales tax, it will certainly be done in spades for a 9 per cent tax.

Can the Minister of Finance now tell us how he intends to plug this major loophole in his goods and services tax?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the hon. member talks about a 1 per cent tax in British Columbia on housing. There is today an existing sales tax which is levied at the effective rate of between 3 per cent and 4 per cent on the purchase of a new house. This is not something that is not new. What we are trying to do is develop an equitable tax, a fair tax that is going to be balanced across the board and one that will avoid the loopholes that the hon. member has referred to.

On the question of loopholes, let us also not forget that in the existing federal sales tax there are 75,000 tax collectors. There are 22,000 special deals between Revenue Canada and those 75,000 tax collectors. That demonstrates clearly that the existing tax is riddled with loopholes and the hon. member should be on his feet telling us to get on with changing the tax from the existing tax which people can take advantage of and put in a new tax that is fair and is not going to have this type of loophole.

* * *

THE SENATE

Miss Deborah Grey (Beaver River): Mr. Speaker, my question is for the Prime Minister on his stopover. Albertans have been anxious for the Prime Minister to return and celebrate the political reform that has begun in his own country.

In light of an overwhelming victory on October 16, indeed over a quarter of a million votes for one man, when, not if but when can Canadians expect to hear of Mr. Waters appointment to the Senate of Canada?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I see applause from the Liberal party. I thank my hon. friend for the question. I have, as the hon. member elegantly pointed out, just returned and—

Some Hon. Members: Oh, oh!

Mr. Mulroney: —I have a strong urge to leave again.

Some Hon. Members: Hear, hear!

Mr. Axworthy (Winnipeg South Centre): Best news we've heard all day.

Mr. Speaker: Perhaps while the right hon. gentleman is here he could answer the question.

• (1450)

Mr. Mulroney: Well all right, Mr. Speaker, if you insist. I thank my hon. friend for the question. I have not yet had a chance to consider this matter with my colleagues. I will do so and be happy to respond as soon as I can.

Miss Grey: Mr. Speaker, I know that there has been some time to address this issue since October 16 and I know that the fax machines were busy between here and Singapore after that was over. It is not a matter of when, but it is a matter of why not reform the Senate. I think that we in Alberta are getting restless for this to happen.

The time has come for Senate reform. I heard from a Senator at our weekend convention in Edmonton that the Senate sleeps 104. When will this change be made in the Senate of Canada?

Am Hon. Member: Sleeps?

Miss Grey: That's what a Liberal Senator said at our convention.

Mr. Mulroney: Mr. Speaker, did I hear my hon. friend say that a Liberal Senator was attending the Reform convention on the weekend? It would be interesting to know if this is the new position of the Liberal party. Given some of those principles adopted there I would expect the Leader of the Opposition to call in that Senator and start putting his feet to the fire right now, because I plan to do it at an appropriate time.

With regard to my hon. friend, I have already answered the question and as soon as I can consult with my colleagues I will be happy to give her an appropriate response.

* * *

NATIONAL DEFENCE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Prime Minister and it concerns the continuing Oerlikon saga. We have now learned that following both an RCMP investigation and an internal audit of National Defence that four top officials of National Defence assigned to the Oerlikon's low level air defence project have now been either forced to retire or fired.

I want to ask the Prime Minister what is the link between the investigation, the audit, and the firings in question?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the question that the hon. member asks is a question that has been addressed by the Department of National Defence. There were two internal audits done. There were investigations done by the RCMP. There was not a recommendation by the RCMP to have criminal charges laid. The appropriate investigation has been undertaken and the appropriate action has been taken. There were no allegations and no evidence of anything other than management—

Mr. Kaplan: What is going on?

Mr. McKnight: The hon. members ask what is going on. There was an audit and there was an investigation. There were irregularities in the management practices of that office. In some instances individuals whose terms had expired were not rehired. The action that was taken was appropriate and if the hon. member wishes additional information he should ask someone else.

Mr. Boudria: Mr. Speaker, I did ask someone else. I asked the Prime Minister. Perhaps he would answer the question the next time.

[*Translation*]

Mr. Speaker, my supplementary is as follows and concerns the Oerlikon affair. The four people in charge of the Oerlikon project have been fired by the Tory Government opposite.

I would like the Prime Minister to give us a reasonable explanation instead of the ridiculous answers we have just heard.

Why were these four people fired? If nothing was wrong at Oerlikon, why fire them?

[*English*]

Mr. McKnight: Mr. Speaker, the hon. member has reached a conclusion that is not logical, but that is not surprising. He suggests that there is a relationship between actions taken by the management of the Department of National Defence to have efficiencies and management practices that are appropriate for not only the program management office but other departments of government.

The actions and the firings alleged by the hon. member did not take place. What took place was a reassignment of one individual, expiration of term contracts by other individuals and a finding of inappropriate action by another individual. As the hon. member knows, please ask what actions were taken but do not ask this minister or other ministers to release names of individuals in the House of Commons that cannot be released outside the House.

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PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to members' attention the presence in the gallery of the Hon. Sherwin Petersen, Minister of Highways and Transportation for the Province of Saskatchewan.

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SUPPLY AND SERVICES

Hon. Bob Kaplan (York Centre): Mr. Speaker, with answers like we just heard from the ministers, is it any wonder that Canadians are more and more indignant about this government.

My question is for the Prime Minister. Hard–pressed taxpayers are seeing hundreds of thousands of their dollars going to cronies of cabinet ministers for winning the Terminal III contract at Pearson Airport. This morning it was revealed that $390,000 went to John Lundrigan, a former Tory MP from Newfoundland, for 15 to 20 meetings that he attended.

Can the government, and the Prime Minister, assure this House that in awarding this rich contract, which contains a government guarantee for the promoters against losses, that the Minister of Transport of the time, and the government, were not influenced by the fact that the consultants who made money on this deal included not only the former member from Newfoundland but also the minister's former aid, Chester Burtt, the former Tory Premier of Newfoundland, Frank Moores, as well as two close personal friends of the Prime Minister, Gary Ouellet and Gerald Doucet? Tell us that all these good Tory connections were irrelevant in winning that contract.

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, lobbying is not against the law in Canada. It has not been, and will not be in the future. Nor is there any law in respect of how much lobbyists, be they lawyers or otherwise, are paid. What this government has done is introduce a lobbyist registration system so that people can know who is lobbying and on whose behalf.

I think it is going some way beyond a sense of decency to infer wrongdoing or impropriety. If the hon. member has evidence of that, let him bring it forward. Otherwise he should keep his mouth shut.

Mr. Kaplan: It sure is easy to see why taxes are going up and why the cost of air travel is going up.

If the minister wants the respect of the Canadian people for that legislation, will he accept the amendment that was proposed on this side, and will he, without the amendment, make public, as is done in other countries where lobbyists exist and are regulated by statute, disclose all the amounts that were paid for the winning of this contract and who received them; all the amounts and who?

Mr. Andre: The contracting procedure of this government is well known.

Some Hon. Members: Oh, oh!

Mr. Andre: The Auditor General has full access to the procedure. There was a competitive procedure.

I repeat to the hon. member, if he has any evidence of wrongdoing he has a duty to bring it forward. He makes a suggestion about the fees paid and so on. I wonder, if he were continuing to act as a lawyer, if he would be agreeable to a system that provided that his legal fees in respect of any action that involved this kind of contract must be a matter of public record. It was for considerations of the invasion of privacy that would be involved that the committee which studied the legislation did not take the recommendation of the hon. member that fees be disclosed.

I repeat again, there is no accusation in the article, none whatsoever, of wrongdoing. It is wrong of the hon. member to suggest wrongdoing when he has no evidence.

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NATIONAL PAROLE BOARD

Mr. John Brewin (Victoria): Mr. Speaker, my question is for the Solicitor General. Today all the federal parole and case management officers are being forced out on strike by this government. There has been no pay increase for the last three years. This strike is a crisis in the administration of justice. It will mean an even greater overcrowding of the prisons. It will deny prisoners their right to parole, and mean that parolees will not be supervised.

My question is this. Last week the Solicitor General announced with great fanfare that today of all days is the start of Crime Prevention Week. Is it the minister's idea of crime prevention to turn his back on his own employees who are on the front lines of the administration of justice?

• (1500)

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I already informed the House last week that in consultation with the National Parole Board and Correctional Service Canada, we have taken all the necessary steps to deal with the current situation.

I can assure this House that we will take care of all people who are on parole. Management staff at the penitentiaries and the National Parole Board will be monitoring the strike very carefully closely.

I can assure the Hon. Member that since this morning, I have been in touch with the authorities at the National Parole Board and Correctional Service Canada, and that at this time, everything is going well. I think that we must act as responsible citizens and avoid raising such matters in public. We must not create false fears where none exist at this time.

[*English*]

Mr. Speaker: Given the time, we will move on. I will hear the hon. member for Windsor West on a question of privilege.

* * *

PRIVILEGE

RALLY ON PARLIAMENT HILL

Hon. Herb Gray (Windsor West): Mr. Speaker, today at noon several thousand Canadians gathered on Parliament Hill—

Some Hon. Members: Oh, oh!

Mr. Gray (Windsor West): Mr. Speaker, I was present at the rally. None of the Conservatives had the nerve, the courage or the commitment to their ideas to come out and meet those thousand of Canadians. As between my statement that thousands were there and the comments of the Tories, I suggest that Canadians will decide who they want to believe on this subject since the Conservatives did not have the guts to be present.

These Canadians rallied on the Hill against the government's goods and services tax. Among them were several hundred taxi drivers who had driven to the Hill in a procession and they hoped that at the conclusion of their rally, they could drive their cabs around the driveway in front of the Parliament Buildings and out again. However, the taxi drivers, when they first approached the Hill in a procession, had been stopped by a road-block of RCMP cars approximately opposite the Centennial Flame. When the taxi drivers attempted to proceed around the driveway of the House of Commons and the Senate to the main entrance of the Peace Tower, they were stopped by this road-block.

The RCMP officers who had gathered around the police cars in question persisted in maintaining this road-block even after Members of Parliament entered the cabs at the front of the procession and asked to be driven up Parliament Hill to the main entrance of the Parliament Buildings at the Peace Tower.

I and other Members of Parliament asked the sergeant in charge why we were not allowed to proceed in these taxi cabs. He said that he was acting under instructions and could not remove the road-block until those instructions were changed. When I and other MPs asked the sergeant who had given these instructions he remained silent and refused to say who had done so.

At that point, I and several other members went to see the Sergeant-at-Arms who apparently had not heard about this matter. He came out with us to talk to the RCMP sergeant in charge and, as a result, there was initially an agreement between the RCMP and the representative of the taxi drivers that some 30 cars could proceed around the main driveway by the Peace Tower.

After this was announced to the taxi drivers and a large number of other people who were there watching what was going on, the individual taxi drivers at first said that if all the drivers could not drive their cabs around, none would do so, at which point, I and some of the other members proceeded back on foot to the Peace Tower. At that point, a number of cars came through bearing members of the public and some Members of Parliament.

I submit this action by the RCMP raises the issue as to whether this action I have outlined by RCMP officers and those who gave them their instructions breach the privileges of this House. I am sure the officers in question were acting with the best of intentions, but the issue of parliamentary privilege still remains to be considered. I say the issue was there, even though it was possible for members of Parliament, in the case of myself and others, to walk up the hill to the Peace Tower and eventually for several others to ride in taxi cabs to the main entrance to the House of Commons. I say this because when I and a number of other members of Parliament first attempted to be driven by taxi cabs around the main driveway up to the Peace Tower, we were prevented from doing so by a road-block of RCMP cars and a large number of RCMP officers.

What do the authorities say in this regard. I refer you to Beauchesne's, fifth edition, page 35, citation 104 which states:

> The time-honoured privilege of Members to have free and unimpeded access to the Parliament Buildings should be recognized even if there is some question as to the extension of the term "parliamentary precincts", and in particular whether the jurisdiction of the Speaker, exercised on behalf of Members, extends beyond the limits of the Parliament Buildings themselves.

In this case, the obstruction in question took place on the grounds of Parliament, just off the gate from Wellington Street, near the Centennial Flame.

I also ask you, Mr. Speaker, to take a look at Erskine May's Parliamentary Practice, Twentieth Edition, page 156, where there is the heading, "Molestation of Members while in the execution of their duties". Erskine May says:

> It is a breach of privilege to molest a Member of either House while attending such House or when coming to or going from it—and on June 6, 1780, the Commons resolved, "that it is a gross breach of the privilege of this House for any person to obstruct and insult the Members of this House in coming to, or going from the House—

I repeat that I am sure the RCMP officers in question were acting with the best of intentions, but the fact is that when I and a number of other members of this House attempted to be driven up to the main entrance at the Peace Tower in taxi cabs, we were prevented from doing so by RCMP officers who had created a road-block of RCMP vehicles. I submit that this action falls four square with the accepted definitions of what is involved in preventing members from having access to the House of Commons. I submit that what we have here is a *prima facie* breach of privilege. If you agree with me, I am prepared to move the appropriate motion.

I want to say, by way of conclusion, that I realize there are questions of security with which we ask the RCMP to be concerned. However, I say that in instances such as this, these matters should be worked out in consultation with the Speaker, the Sergeant-at-Arms and the RCMP, and no one instructing them should act as the officers in question did today, no matter what their intentions were. We have the potential for a very dangerous situation, where no matter what the intentions are, no matter how well-intentioned the officers may be, the result may well be to prevent members of the public, and as was the case here, members of Parliament from having access to the Parliament of Canada.

I do not think this is acceptable under any circumstances. I certainly do not think it is acceptable in this case, where large numbers of Canadians, in a peaceable way, wanted to carry out their long-standing privilege of demonstrating and expressing their views against a very unpopular government policy, the goods and services tax. I say to you, Mr. Speaker, that what happened amounted to a *prima facie* breach of privilege, and if you agree with me, I will be prepared to move the appropriate motion.

• (1510)

Mr. Stan Keyes (Hamilton West): Mr. Speaker, the point of my question of privilege is one of access, access by an elected representative, a member of Parliament, specifically this member of Parliament, to this place. There was a noon hour rally on Parliament Hill, a rally attended by Canadians who were very concerned about the GST, in fact, so concerned they were protesting the GST. Behind each one of them, I might add, there are thousands more who say that enough is enough.

Following this noon hour rally, members of Parliament who boarded taxis to return to the front door of the House were stopped by police on the lower road. My colleagues and I were denied access to the front door. I questioned an RCMP officer who told me, and I quote, "Potentially 295 MPs, if every one of them took a taxi to the Hill, they would disrupt the dignity of Parliament so bad it would be unbelievable". At this point, the officer said, "Mr. Member, if you would like a ride to the front of the House of Commons, I am offering you a ride." I was not aware of that. I will phone and ask if I have that same privilege available to me tomorrow morning from my apartment.

I have the honour and the privilege of being a member of Parliament and it is my solemn commitment to my constituents to serve. But how is any member able to carry out his or her duties without total and unimpeded access at any time and by whatever means is at our disposal?

Number one, can a member of Parliament arrive at this place whenever and, more important, however he or she wishes? Two, is there a limit to the number of members of Parliament who can arrive at the front door of this place at any given moment? With all due respect, is there a set of rules governing this activity of which I am not aware, or is it common practice for the Sergeant-at-Arms to make himself available as chief negotiator, as some sort of conciliator, between the Royal Canadian Mounted Police and the taxi drivers of Ottawa?

You have had put before you and this House, Mr. Speaker, the rules outlined by my colleague, the Hon. Member from Windsor West. I submit that we have a prima facie case of privilege and I would support my colleague's motion, if you so request.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I was one of four members in the office of the Sergeant-at-Arms at noon hour along with the Leader of the Opposition and two other MPs. I was there because I too was one of those who was at the rally of many, many Canadians who were here to protest the tax.

After the rally, I too tried to summon a taxi to return to Parliament Hill. My colleagues for Prince Albert—Churchill River and Saskatoon—Dundurn tried the same thing. There were RCMP cruisers blocking the path by the Centennial Flame.

I and the House leader of the opposition party asked why they were doing this and on whose authority they were acting and they would not tell us. We then went and disturbed the Sergeant-at-Arms who was half way through a lovely lunch in his office. He appeared not to know anything about it so we brought him down to the Centennial Flame and negotiations were undertaken. The House leader of the official opposition has already referred to that in detail.

My point is really two-fold. I think it is important, because of the possibility of a real confrontation having occurred, because of some of the emotions and tempers that were around, to find out who made the decision that we were not to have access to the House of Commons in taxis.

I have always known since I was elected as a member of Parliament that I have the right to call a taxi and be dropped off at the Centre Block under the Peace Tower, and other members know that as well. We have access to the Hill. You know that, Mr. Speaker, and we all know that. We have access to the Hill, and you as the person in charge of Parliament Hill is the only person who can deny that access under certain circumstances.

I think we should look at this in terms of a question of privilege regarding access to Parliament Hill. Second, Mr. Speaker, I think you would want to find out who made the decision to have the RCMP block the lower road down by the Centennial Flame because that was something that could have escalated into an incident that none of us would have wanted to see.

On behalf of many members of Parliament, I too support this question of privilege. I think it is a pretty fundamental thing. It is something that you as Speaker certainly would want to get to the bottom of as quickly as possible.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I rise on the same point as my colleague for Windsor West. This incident happened in an entirely different set of circumstances.

Shortly before one o'clock, I had a meeting off the Hill and I was returning to the Hill by taxi. We turned in to the entrance way in front of the East Block. As soon as the taxi got on to the property, we were stopped by a member of the RCMP who advised us that we could continue no further and would I walk from that point up to the Centre Block. I acquiesced, naturally.

In the House today, I heard my colleague talking about the denial of access and it came to my mind that the same situation happened, so I join my colleague for Windsor West and adopt his arguments on access to the House.

Mr. Speaker: I wonder if I could ask the hon. member for Windsor West whether any members were stopped from approaching the building if they were walking.

Mr. Gray (Windsor West): Mr. Speaker, I thought I had said that members who wished to approach the building on foot were able to do so, but that is exactly my point. I think that access to the building should not be based on somebody else's decision as to the means of conveyance, whether or not it should be on foot.

I respectfully submit that if members of Parliament wish to enter the building by travelling there by taxi or private car, that should be their decision, even if they may well be doing it for symbolic purposes. There was no doubt, there were all sorts of witnesses to this, that when members of Parliament initially attempted to travel from opposite the Centennial Flame to the Peace Tower, they were prevented from doing so by a road block of RCMP cars and a large number of RCMP officers. Therefore, I have decided to present this point to you.

I have made it very clear that members could go to the building on foot. I ask you to consider, Sir, whether anybody, except perhaps yourself on behalf of the House, has a right to dictate to members how they should go up the Hill, whether it should be on foot or in a taxi or in a private vehicle or whatever.

I hope I have answered your question and I respectfully submit that there is an issue of obstruction even though there is no doubt that in my case, I was able to eventually approach the building on foot.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I am hesitant to speak on this particular point of privilege, but the point that I want to make is, first it takes me back to the work that was done with the McGrath task force and the whole question of the jurisdiction of the Speaker. One of the things that was found to be real problem is that the Speaker does not have the jurisdiction over the grounds of Parliament and that those decisions are made off of the Hill and are not in any way connected to the Speaker's office.

To me, the solution on this particular case would probably be to make a reference to the committee to ask it to look at the whole question of the Speaker's role and that of the Board of Internal Economy in terms of setting guidelines that affect the Parliament Buildings. We, Sir, would not in any way want to interfere with the rights of members opposite to take a cab from the Flame to the centre of the Peace Tower any time they choose to.

• (1520)

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, it seems to me that it is an absolutely gorgeous day here in the nation's capital. Why would anybody concern himself with access when he can get out and walk the very few feet or yards that it is to the Centre Block? It also seems to me that—

Mr. Gauthier: How did you get here, with a chauffeur?

Mr. Mayer: You ask me how I get here. I make it a practice, if members are interested, to walk on a regular basis. I do not ever use a car to come up to the Centre Block. When the option is there, I use the green buses. I am sure the green buses were still able to run.

Mr. Keyes: No, they were not!

Mr. Mayer: If the green buses were not running, they were not running. I was not aware of the situation.

The point is that if you have access and a very few hundred yards to walk on a day as gorgeous as this, I think members opposite are being rather frivolous in this kind of a point of order.

SPEAKER'S RULING

Mr. Speaker: The hon. member for Windsor West and others have addressed the Chair on a question of privilege. Basically, the fact, as explained here in the last number of minutes, is that indeed certain vehicles carrying members of Parliament were stopped at least for a while.

There was also some suggestion that members were denied access to the front door. I think that the hon. member for Windsor West mentioned that. The hon. parliamentary secretary has made a suggestion which seems to be quite sensible. There is some difficulty with respect to jurisdiction outside the walls of these buildings and under the circumstances, I am going to find that there is a prima face case and I would hope that the appropriate motion would be put.

Point of Order

Mr. Gray (Windsor West): Mr. Speaker, I move, seconded by the hon. member for Hamilton West:

> That the matter of access of certain members of Parliament by taxi to Parliament Hill today be referred to the Standing Committee on Elections and Privileges.

Motion agreed to.

* * *

POINT OF ORDER

SUPPLY DAY MOTIONS

The Acting Speaker (Mr. Paproski): I recognize the hon. member for Kingston and the Islands on a point of order.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I want to respond, if I may, to assist Your Honour in making a ruling on the matters raised this morning by the Parliamentary Secretary to the Government House Leader. There are two or three questions that he put to you and asked you to answer in a hypothetical way and I wanted to make clear our position on this matter so that Your Honour, in making a ruling, will be able to consider the views of the opposition.

The significant question that he posed was, was it necessary before a discussion on an allotted day and before a motion could be put down on an allotted day that the government designate the allotted day. I have reviewed the authorities as best I can and I submit that the answer to the question is no, there is no need for a designation before any member of the opposition can set down a motion.

I refer the Chair to Standing Order 81(12)(b) which makes it clear that in putting down a motion on an allotted day that is to be votable on a Friday, the opposition must give 48 hours' notice of the motion. If the parliamentary secretary's interpretation of this rule was correct, it would mean that by holding up the designation until Thursday evening on any supply day on a Friday, the government could effectively forestall the opposition from choosing to have a vote on a Friday. It is clear from the reading of the rule that the intent is to leave the leeway with the opposition. I submit that the answer to his first question must be no, there is no necessity for a designation before the opposition may set down a motion for a supply day.

Second, I want to note that the Notice Paper for Thursday, as my friend will see indicates that the notice was given pursuant to Standing Orders 81(12) and 81(14). It was clear on the designation of the Leader of the Opposition's original notice that it was for a votable supply day on Friday last week.

The government chose not to designate Friday as a votable supply day and accordingly, another notice was given on Thursday for Friday and it appears on Friday's Order Paper, by the hon. member for Algoma. While the terms are exactly the same, the fact is the first notice was given to conform with Standing Order 81(12)(c).

I submit that in making any ruling on this matter, the words of Standing Order 81(12)(c) are relevant, and I have dealt with the other issue. There is no need for designation, in my submission, before the notice is given.

With respect to the withdrawal of notices, the Parliamentary Secretary suggested that it was improper for the member to withdraw without recourse to the House. I refer Your Honour to Citation 543 of Beauchesne's sixth edition which states as follows:

> There are only two ways in which a notice can be withdrawn from the *Order Paper*: first, by the Member giving a written notice to the Clerk of the House or second, by the Member informing the Speaker of the desire that the question be dropped or withdrawn.

I understand that the appropriate notice was given in writing to the Clerk, and accordingly, the notice is withdrawn *ipso facto* and there is no need for the member to do anything else or seek the leave of the House to withdraw the notice. I ask Your Honour to rule accordingly.

The member suggested that it was improper to have multiple notices. Again, I refer to Standing Order 81(12)(c), which states that when notice has been given of two or more motions by members in opposition to the government, there is no reference to parties, there is no reference to anything except members in opposition.

In this case, there were two notices from two members of the opposition and apparently a third was given for today. Again, I suggest the wording of the rule clearly implies that more than one notice can be given and there may be a duty on the Speaker to make a selection. However, in this case, there was no such requirement because of the withdrawal.

Finally, on the question of whether the notice was properly given, I submit it was perfectly proper in this case because under the special order adopted by this House last April, subsequently amended in June, subsequently amended in September, to the best of my recollection and I do not have all the dates of the amendments, the Parliamentary Secretary knows that there were two allotted days to be held before the end of October, and as of Thursday, that had to be on either Friday, Monday or Tuesday. It was obvious that there was going to be an allotted day on one of those three days. I submit, in the circumstances, it was more than proper, indeed, it was being generous and fair, that the opposition chose to give its notice on Wednesday night of the fact that it wanted a debate and a vote on agriculture on Friday.

To put this in perspective, I want to read from the words of the Chief Government Whip on Thursday, October 26, as recorded at page 5210 of *Hansard*. At roughly eight o'clock, or nine o'clock in the evening, he was asked what the business of the House would be for Friday. This is his reply:

> Mr. Speaker, the government House leader anticipated being here for a 1 a.m. vote and bringing the information on the business of the House with him on that occasion.
>
> The surprise ending of the debate and the quickness of the vote make it clear that he is not here with us and that that information is with him. We will share it with all members of the House as quickly as possible upon his arrival. The House will start at ten o'clock.

The obvious thing is that no one on the government side at nine o'clock on Thursday night had any idea of what the business was going to be the next day except the government House leader himself who had fled the coop. He was going to come back at one o'clock on the morning of the day and tell us what the business was going to be that day.

It is typical of the way this government mismanages the time of this House. The hon. Parliamentary Secretary, I admit, was absent last week and missed this fiasco of mismanagement on the part of his colleagues. Indeed, I suggest that if he had been here, perhaps it would not have been bungled quite so badly. The fact remains, it was badly botched.

The government could not make up its mind from one day to the next what the business was going to be. When it did not get a designation in for Friday, it had to then make Monday and Tuesday the allotted days and so we changed the notice and withdrew the old notices that had been given, as we are entitled to do.

My final point is this. Your Honour can ignore the mismanagement to Your Honour's content. I will not argue that because that is more a political point than a procedural one. But I say that the government, in raising this point of order, has no right to raise hypothetical questions and put them to Your Honour.

• (1530)

Your Honour must make decisions based on events that have transpired. The parliamentary secretary, at the opening of his remarks, indicated he had no objection to the procedural propriety of the motion that we are debating today and, accordingly, I suggest that his entire point of order be ruled out of order by Your Honour at once because the questions that he has posed are truly hypothetical and ought not be dealt with in a ruling from the Chair given in the normal way.

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, I sat here and listened at great length to the point of order raised by my hon. colleague, and I just want to say that if a person is to properly represent the matter in a serious vein, which I have no doubt he intends to do, then perhaps he should get his facts straight.

Because I was here I can speak with some degree of qualification. In the first instance he made some reference to the government Whip indicating that at 9 p.m. that evening he was unprepared to give the Orders of the Day because they had expected that the vote would be taken at 1 a.m. I say to you, Sir, I was in the House when I heard, I believe it was the Whip of the Liberal party say, with waved finger: "You will be here until one o'clock this morning voting on the matter." That is the first point.

The second point is the government Whip did not make that statement at 9 p.m. He made it at precisely 7.50 p.m. because immediately following that time I went and attempted to eat at the parliamentary dining room and they told me the restaurant was closed, and that was at about two minutes to 8 p.m.

With those points of correction I think that the hon. member should adjust the tenor of his comments so that you, Sir, might more seriously consider his comments.

Mr. Albert Cooper (Peace River): Mr. Speaker, I do not want to prolong this point of order at all, but I think it is important to make one comment.

If I am not mistaken I heard my hon. friend say that 48 hours' notice should be given on what is to be designated as an opposition day. Our point is that in fact the problem we have is if there is no notice on the floor of the House of Commons that such and such a day will be an opposition day, then we find it very difficult to understand how there could possibly be a number of motions placed on the Order Paper for a day that has not yet been designated.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I just can't believe my ears. We are trying to make a point. It is very simple. There were three days left in October, that is working days for this House. Two of those had to be opposition days. We therefore thought, because the government will not tell us what was going on, that we would use the rules thoroughly, and we used them. Standing Order 81(12)(a) says:

> Forty-eight hours' written notice shall be given of motions to concur in interim supply, main estimates, supplementary or final estimates, to restore or reinstate any item in the estimates.

That is exactly what we did. And when we saw the government still persisting in not wanting to tell us what the work of the next day would be, we put another motion on the books because we thought at that time they were going to play tricks on us.

Mr. Cooper: They shouldn't have thought it.

Mr. Gauthier: Yes, because you are a tricky, tricky government. You do have this in mind. You have a mentality that says "we must play tricks on the opposition". So to avoid you playing tricks we put forward two motions. Nothing in this book says we cannot put two, three or four motions. Mr. Speaker, you would have to choose which one of those motions is going to be taken up when the government makes up its mind as to whether tomorrow or the day after is an opposition day. That is the problem.

The Conservatives will not tell us what the agenda is yet they expect us to guess. Well, if they want to continue that kind of game, we will continue that kind of game also.

The Acting Speaker (Mr. Paproski): I would like to thank all hon. members for their contributions. I know that the Chair will take note of the comments this afternoon and we will proceed to the Orders of the Day. When the House rose at one o'clock p.m., the hon. member for Algoma had been given the floor.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—AGRICULTURAL AND TRADE POLICIES

The House resumed consideration of the motion of Mr. Turner (Vancouver Quadra):

> That this House condemns the government for having jeopardized the future of Canadian agriculture by its ill-conceived trade policies, especially the Canada-U.S. trade deal,
>
> 1) which have failed to gain access to the U.S. market in spite of the promises of the Prime Minister in the 1988 General Election;
>
> 2) which have failed to counter U.S. protectionist actions (including those taken after the enactment of the trade deal) against Canadian agricultural products such as pork and other commodities vital to our economy;
>
> 3) which have failed, as evidenced by the recent GATT panel decision on ice cream and yoghurt, to ensure that Canada is able to maintain its marketing board and orderly marketing systems;
>
> 4) which have failed to have any effect on U.S. agricultural export subsidy programs, such as the export enhancement program, which are contrary to the claimed "spirit" of the trade deal while the Canadian government has, at the same time, been moving unilaterally to dismantle programs beneficial to Canada's farmers; and
>
> 5) which have failed to create confidence among farmers in the future of the food supply system in Canada and its ability to ensure long-term food security for consumers.

Mr. Maurice Foster (Algoma): Mr. Speaker, I was concerned as to whether the House was trying to talk out our opposition day without getting to the very important matter before us, that being our motion which describes the tremendous uncertainty and the fear of the situation that exists in many rural areas of Canada because of the actions of this government with regard to trade issues. Clearly I do not believe there has ever been a time when marketing boards, the legislation and the support programs for marketing boards have been in greater jeopardy.

I found it interesting to listen to the Minister of State for Grains and Oilseeds because he talked about the history of agriculture in this country and all kinds of other issues, but he did not address the four or five points in the motion before the House today which deals with the failure of the Government of Canada to secure access to the United States market.

He did not talk about the failure by the government to counter U.S. protectionist actions on things like pork. He did not talk about the jeopardy in which our marketing boards and supply management have been placed. He did not talk about the fact that we signed a deal with the United States stating that we were not going to interfere with each other's customers abroad, yet the United States is increasing the funding under its export enhancement program. He did not address the tremendous lack of confidence that there is in this country now with regard to our whole supply management system.

I thought it was interesting that he talked about the billions of dollars which the government has provided during the trade wars in the last two or three years between the EEC and the United States. It is interesting that he talked about those billions but did not talk about the $500 million which the Minister of Finance cut out of the budget of the Department of Agriculture last April.

Those programs, amounting to $500 billion, include the advance payments program. It is rather interesting he did not mention that because practically every major agricultural organization in Manitoba—the Keystone Agriculture Producers, the Manitoba Canola Growers, the Manitoba Corn Producers, the Manitoba Pulse Producers, the Western Barley Growers, the Canadian Federation of Agriculture which includes the pools, and so on, is opposing the government's position for that funding under the advance payments program which the minister did not bother mentioning.

The former Minister of Agriculture faithfully promised Canadian dairy producers in the spring of 1988 that he would secure and protect the underpinnings of the supply management system in this country. He said he would move products like ice cream and yoghurt from the tariff list to the import control list and that would salvage the whole supply management system.

He said it many times in the House of Commons and on the hustings and, yet, today we have the whole agricultural economy of this country, supply management and the marketing boards in jeopardy of being destroyed by a ruling.

We could not believe the minister at the time because the chairman of the Senate Finance Committee in the United States, Senator Benson, was complaining at that time. As soon as the government placed commodities like ice cream and yoghurt on the import control list, the United States Government applied to GATT for a GATT panel to strike down the import controls that Canada had placed on it. A decision was made in the past month or so to strike that down and disallow it.

The implications of that decision could not have come at a worse time and they could not have had greater impact on the Canadian dairy industry. The Minister of Agriculture plays lots of games, but if that decision is upheld by the GATT the prediction is that at the end of the day he will accept that decision by the GATT panel at the December 4 meeting in Geneva, probably not implementing it until the end of the GATT round negotiations a year from this December. That precedent at that time in that way, with that timing, is the worst possible decision that could be made. Clearly the government should have made a deal in the free trade deal to control those imports.

• (1540)

The Americans did. They had a waiver which says that those commodities cannot be brought into the United States. If the government was serious about protecting the supply management and marketing board system in this country, there would have been that kind of arrangement in the free trade deal. Now we are faced with the prospect during the next year or so of losing that import control, which is one of the major reasons that we can have supply management. It will be a devastating decision, not only for the dairy industry but for the whole feather industry: broilers, turkeys, and egg products.

That is the one devastating response to the free trade deal. The pork countervail is an even sadder story, although it is hard to choose between the two. Last fall, sometime in October, the United States passed the free trade deal, agreeing to it, and then proceeded to amend in the omnibus trade bill the provisions for the countervail duty.

In other words, they said: "Okay, we are going to have a free trade deal with Canada, but we are going to toughen up our countervail duty in direct violation of the spirit of the deal". In the April 3, 1987 *The Wall Street Journal* the Prime Minister said: "You cannot have a free trade arrangement and expect the traditional laws of countervail to apply". "Such laws", he said, "can be triggered by any disgruntled group in the U.S. at any time". He said: "It would be illogical in the extreme to negotiate a free trade agreement and then have the other side say oh, by the way we forgot to tell you all of our nice little tricks, our countervail and what have you are going to be kept".

They not only kept all of them, as the Leader of the Opposition said, in section 1901(2), but they reinforced them, made them stronger. They said that any countervail that is applied to a primary product will be deemed to apply to the secondary product, in this case to pork. They have had a countervail on Canadian hogs for the last couple of years.

Now that countervail of 2.6 cents a pound is in place, but we know that the payments on the tripartite pork stabilization program have been very large, I think in the order of $36 a hog during 1989, compared to an average of $6 a hog in 1988. That means that our pork producers, on pork that is sold to the United States, could have a retroactive countervail applied on them back to this past September.

Now we have the situation where the Canadian Pork Council is making arrangements to provide a levy on every hog that is sold in this country, not just on the ones that are sold to the United States which perhaps represent some 25 per cent of our production but on those sold within the country and those sold to Japan and other countries, of $2 per hog. That means we are buying access to the United States market, this access that the Prime Minister talked about in *The Wall Street Journal* interview in 1987. It does not sound very free if we have to levy $2 on every hog marketed in this country, whether they are going to the U.S. or not.

It is easy to see why the Minister of State for Grains and Oilseeds did not respond to the motion put forward today because the government has really muffed our whole trading relationship with the United States, and it is having implications far beyond those relationships with the United States.

The other area that we are very concerned about is that under the free trade deal with the United States we agreed to negotiate, over the next five to seven years, a subsidy code, a list of subsidies that would not be subject to countervail duty by each other. It is interesting that in the budget which came out this year and in other actions which the government has taken something like nine out of the fourteen or fifteen subsidies mentioned in the free trade deal are either reduced or done away with completely.

We believe that the government has placed in jeopardy the very important supply management marketing board system, our whole pork production in this country. We believe that their trading relationships have been jeopardized by these actions, not only through the free trade deal but the negotiations which are going on at the GATT. That is why we have put down this motion today condemning the government for its lack of proper action with regard to agricultural trade.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise to speak on this debate to demand that this government abolish its present policies that are undermining our marketing systems, that are ignoring the needs of Canadian farmers, that are resulting in an exodus of young people leaving the farms across this country and are resulting in a closing down of rural Canada. It is a sad commentary that so many Canadian farmers and their wives have to find off farm employment, not only to survive and put food on the table but to subsidize their farm operations.

It was with a great deal of shock and dismay that I read just recently that the United States Secretary of Agriculture had made the statement that they intend to discipline Canadians and their subsidy programs. If there was ever a pot calling the kettle black, this was it. The western Canadian wheat producers, have the ability to grow the highest quality of wheat in the world. Because they started to make some inroads into the United States markets the United States Government was called upon, by the producers in the United States of the same Durum wheat, to bring a countervail action against Canadian wheat moving into the United States.

Obviously, because of the fact that this wheat was higher quality and that it was readily available through the Canadian Wheat Board, the Canadian Wheat Board and the farmers were able to fill this market. It seems a sad commentary, after being led to believe that the free trade agreement was going to open up these markets in the United States and secure the access to these markets for Canadian products, that all of a sudden we have had one countervail action on Canadian pork moving into the United States, on live hogs themselves, then later another one on the dressed pork.

When we asked the American representatives about this, they said that of course they have the power to do this under the omnibus trade bill because it supersedes the free trade agreement. The free trade agreement was not ratified until after the omnibus trade bill came into effect.

So we have those actions against our pork and our live hogs, the threatened action against our Durum wheat producers, and still another one that is being talked about toward Canadian beef going into the United States. Yet I have not heard one word from any of the ministers on the other side of this House as to what action they are going to take against the United States or, in fact, what laws the U. S. changed to adhere to the free trade agreement.

I am shocked that a government of a country with the resources that we have in Canada would allow itself to be manoeuvred into a position where we would find ourselves shut off from these markets with the Americans, in addition threatening countervail action that was supposed to have been removed by the free trade agreement.

I am also rather shocked when I read the various accounts of what is happening in the GATT negotiations. We are hearing various buzz words. One that is of primary concern to me is the buzz word "tariffication". If we ask for the meaning of tariffication, some of the negotiators and people in the civil service tell us that tariffication means taking away all import restrictions and barriers that perhaps are not visible but are there, some by legislation and some by statute, and replacing them with tariffs. Then of course the next step, if they do this, will be to negotiate the tariffs downward step by step until there is free movement of product across these borders.

• (1550)

In all seriousness, while it may sound exciting to hear people saying "yes, we can compete", we have to realize that there is no level playing field because mother nature herself has dictated that that is not the case. In Texas, for example, they can grow up to three crops a year. California can grow three crops of tomatoes a year; in Ontario we can grow one. So naturally we can guess where the products are going to be grown if we go toward the route of tariffication and negotiate away all subsidies.

Canada has tremendous potential and expertise in agricultural production, but we must realize that we are tempered by the climate. In that context, no country should ever allow itself to be put in a position where it cannot produce its own food because it has been traded away.

I had the honour last Friday of speaking to Dr. John Kenneth Galbraith, one of the foremost economists of the world. He said:

> I very much think that in Canada, and equally in the United States, we have a cultural identity which identifies itself in the family farm.

He went on to say:

> I have always felt as a broad rule that agriculture must be under the constraints of production control or marketing boards. It is the nature of the agriculture market, as distinct from General Motors or (other large corporations), that there is a total absence of control of total output. Such control is essential to agriculture.

Yet we have a government over here that systematically starts to take away the underpinnings of the various marketing structures that have served this country so well over the last number of years, that were put in place by various governments, and that have been the envy of producers of the world. In fact, it has been referred to as the most sophisticated marketing system of any country in the world. At no time have we contributed to world surpluses of any of those commodities that are under that system of planned production.

I just want to compare what is happening here. For example, in the dairy industry we have our production under control through a series of planned production, for both industrial and fluid milk markets, which has been very successful. To compare that to what they have in the United States, at the present time there are four or five states that are facing acute shortages of milk. Georgia, a large producer, is now producing half of what it needs. Alabama and Tennessee are short of product. All of the east coast of the United States has shortages. Even New York State, a major producing state within the United States, is very short of milk at the present time. Even the State of Michigan is short in the area north and west of Lansing. The price is only now starting to

show a return to the producer, and this is after approximately 1 per cent of the producers in the United States per month have decided to throw in the towel and leave the industry.

It is shocking that such shortages would occur within the United States. They are picking up the milk every day from farmers. If consumers want milk on a weekend they must buy it before three o'clock on a Saturday or Sunday afternoon because of what has happened.

That is an example of where this government is leading us. It is leading us to a system of supply and demand and shortages in this nation. I abhor the direction it is taking which will leave Canada as a nation vulnerable to the whims of the market of supply and demand that it no longer controls but rather leaves the control in the hands of the corporate structures.

In closing, I would ask this government, for goodness sake, to stop and take a look at what it is doing to the farmers of Canada, at the credit being made available to them through the Farm Credit Corporation, and at the hardships it is inflicting on the people of this nation.

I have in my own riding a man who is severely disabled. He has been held at the end of a string for the last three months and nothing has been done to help resolve his problem. The Farm Credit Corporation Act states that the corporation may make compromises, rewrite mortgages and do all those things that are conducive to a lending operation. Yet that has been ignored in the case of this family.

I ask the government to show some compassion, not only for the producers of Canada who are facing these hardships, but for those left to the whims of the market-place to wither and die on the vine.

In closing, I just want to ask this government to stop and realize where it is going, how it has been taken in by the United States on the free trade agreement and the subsidy wars that it is escalating at the present time. I should point out that the United States appropriations committee for the second year has now placed a cap of $770 million on the funding for the export enhancement programs.

The government has to take action, dig in its heels and not allow itself to be pushed around any more.

Mr. Vanclief: Mr. Speaker, I would just like to make a couple of comments and ask the member for Lambton—Middlesex a question. As we read through the trade deal which has been touted by the government, the real strength, as it says, is the snapback as far as duties and tariffs on fruit and vegetable crops that the trade deal puts in place is concerned. They brag about the five-day situation there.

I can tell members of the House from experience of producing quite large quantities of these products that the reality is that when you need five consecutive days the damage is done. In other words, if it happens for two or three days and then someone can say it was okay for the fourth day, the five-day cycle is broken.

Let us look, for example, at the production of strawberries in Canada which are produced for about three and one-half to four weeks. Is the damage not going to be done by the time we can prove five days? Then we get through the bureaucratic red tape, et cetera, and the influx of those products coming in. I would like to ask the member to comment on whether he thinks that snapback mechanism has a possibility of having any success.

The other thing, along that same line in fruits and vegetables as well, is that the word "harmonization" is used quite frequently in the free trade agreement. What does the member for Lambton—Middlesex think is going to happen over the years as we harmonize our grade standards, our regulations and our residue standards with the United States? Are we going to continue to have the high standard of food safety in Canada that we are proud to say to Canadians that we have at the present time?

Mr. Ferguson: Mr. Speaker, I want to thank my colleague for the question. Obviously the harmonization of regulations that has been going on since the government took office has brought down our standards to be more in line with those of the United States. Canadians can no longer afford to brag that we have the highest quality standards of any nation in the world. This is reflected not only in terms of fruit and vegetables but also in our grains.

We are equally alarmed that the government would bring in a system through the free trade agreement whereby a load of grain coming into Canada does not have to show the grade or the quality of that grain. All it needs is an end user certificate. It could be some very low quality grain that is brought in here in a series of truck loads simply to break and undermine a price structure that exists within our market-place. I think we should insist on having those grades and the quality shown on those end user certificates.

I would also like to comment very briefly on the snapback provision. The member is absolutely right in terms of the tender fruit harvest, in particular strawberries, cherries or peaches, because we have a price structure established at the start of a harvest season. If you have a few truck loads of lower grade quality dumped on the market-place, the price is tremendously undermined and that price normally remains in effect for the rest of the season and ends up with our own producers being forced into bankruptcy or whatever.

• (1600)

A few moments ago I quoted a man to whom I listened very attentively last Friday. He spoke about the concentration of power in the market-place, the power of the big multinational corporations and what they are doing to the Canadian agriculture industry. He was very firm in his resolve that the producers themselves must have a counterbalance and a counterbalancing force in the market-place to compete against these people. It is only through structures that we have here in Canada, the marketing board and the wheat board that we are able to do that. It would be a shame if these were ever traded away such as this present government is doing.

Mr. Gustafson: Mr. Speaker, I have just a couple of comments on the remarks of the member for Lambton—Middlesex. First of all, it is obvious that he is not familiar with the situation in the western prairies especially with regard to wheat and Durum and to the export of Durum wheat to the United States. We have had record exports of the best high quality Durum wheat. Also, Canadian wheat producers can compete in the international market-place. We have without a doubt the best hard red spring wheat in the world. While we have been facing some problems in the international market-place, there is no question about that, there has never been a government in the history of this country that has stood in for the farmers like this present government. I think it would be well if the member would research his material a little better before making statements to this effect.

Mr. Ferguson: Mr. Speaker, I should advise my colleague on the other side that I am a wheat producer, maybe not Durum wheat but I am a wheat producer. In fact, about 186,000 tonnes were exported to the United States this year which is up substantially from previous years precisely because of the high quality of that wheat. The quality of that wheat is a credit to the Canadians producers who produced it.

I would like also to point out to him that five prairie farm organizations wrote to the Minister of Agriculture requesting action against this American action. This has not been forthcoming at this time. I would ask my colleague on the other side to put pressure on the Minister of Agriculture and his two assistants. They have three part-time ministers over there. I hope between all three of them they will bring a stop to these actions and protect the interests of our own Canadian producers.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, it gives me pleasure to rise to speak again in this House on the question of the future of agriculture and how this government's actions are making a much tougher and insecure environment for the farming communities of Canada.

Today particularly it is interesting that we are finally getting around to talking in a concerted kind of way about the effects of the recent free trade agreement which has now run for virtually a whole year. I think some of the chickens are really starting to come home to roost, especially in the agriculture community.

I remember very well as I was running for the nomination for my party in my constituency that this debate was raging in the farm communities in Saskatchewan. The Premier of Saskatchewan, the Hon. Grant Devine, came to Prince Albert and provided a briefing to the citizenry of the area on the free trade agreement. He made two points very, very clearly with respect to agriculture. His big point, of course, was that Saskatchewan is an agriculture producing province, something on which our economy depends. Obviously he could not very well come out in support of an agreement that would clobber the heck out of the leading industry in his own province.

The premier made two points that stuck with me. One is that our access to markets through the supply-management system would in fact be enhanced under this free trade agreement because it was spelled out in that agreement that it was more than iron-clad, that our access to markets would be better than it was.

Second, he said the reason we had to get the free trade agreement and why farmers had to support it was because there was all kinds of potential for the sale of red meat into the American market. Without the free trade agreement that access for red meat not only was not assured but could well be in jeopardy.

I want to say that there were farmers who listened to the remarks of the Premier and who were in some ways convinced by that. They thought we were doing well selling red meat into the American market. We do not want to lose that market. There had been threats of countervail on pork. There was an element of the farm community that said yes, free trade in agriculture is going to be a benefit to farmers.

What have we seen since then? I think it is becoming quite a litany. First, as somebody mentioned previously, we gave up two-price wheat. There was a commitment at that time that the $280 million that we got under the two-price wheat system would continue to flow to farmers. I have yet to see where that flow-through to farmers has come or where the substitution has been on the two-price wheat payment. That just dropped right through the cracks in terms of any kind of benefit to the producer at all.

Second, the marketing board structure has never been under more threat in this country than it is right now since its inception in the 1960s. We have seen that through GATT. It does not really matter, as the Member for Saskatoon—Humboldt pointed out before. What the free trade agreement has done is give the Americans two routes to get at us, two routes for harassment and they are using both of them. They used them in the case of ice cream and yogurt. If that should stand there is no question that the whole supply management system would start to unravel.

The point is not so much the technicalities of what is happening, but that the Premier of Saskatchewan and agriculture spokespersons for the government made it very clear that what we were entering into is an era of understanding and harmony, that there would not be any more harassment and that we had to co-operate. People like to hear that kind of thing. We do not want to be fighting the Americans for markets or fighting harassment again and again. It is not our way. Where do you see Canadian action against American producers? There was one on corn, but it has been very seldom that Canadian producers have taken even the opportunities that they do have to beat on American farmers. That is not our way of doing things. We were told that it would not happen to us, and it is.

Furthermore, the whole thrust of the government's agriculture policy is taking us down a road that interacts with the free trade agreement in such a way as to lead us to an agriculture economy that is going to be based on agri-business very much the way the American agriculture community has moved almost totally into an agri-business kind of mould. We see the removal of oats from the Canadian Wheat Board.

Certainly everybody agrees with those who say that we need to process more oats at home. There is no reason oats cannot be processed in Canada under the auspices of the Canadian Wheat Board. We have milled flour in this country for years and done a very good job of exporting flour, something which operates under the Canadian Wheat Board. There is no way oats cannot operate just as effectively through the Canadian Wheat Board.

That action was taken in the face of the virtually unanimous opinion of the farm communities. Polls were done by Decima Research, a company the government tends to listen to during election time and most other times. A poll done by Decima Research found that approximately 70 per cent of farmers wanted to keep oats under the Canadian Wheat Board. The reason they want to do that is because the institution of the Canadian Wheat Board has been the main bulwark of our defence and the most successful aspect of our penetration to international markets when it comes to the export of

grains. It is the envy of producers all over the world. The Australians have one; they like ours better. I had the opportunity over the Thanksgiving weekend to talk to farmers in the mid-western United States. The first comment you most often get from the American farmer is how we have developed such a successful wheat board and what might they have to do politically to get something like it.

If this government were serious about international markets, and it should be, it should be not only maintaining the current role of the Canadian Wheat Board but it should be enhancing the role, moving it into new areas. When you have a winner you go with it. This government makes a big point of going with the winners. Maybe the losers have to lose, but certainly you go with the winners. Our big winner is the Canadian Wheat Board.

This morning I challenged the minister to hold a plebiscite. I am not suggesting anything that is not democratic or that the majority of farmers are not interested in. I think it is time to hold a plebiscite on whether farmers want rapeseed or canola included under the Canadian Wheat Board.

• (1610)

I might remind our Liberal colleagues here, some of whom might not have been around in those days, that we at one time had such a plebiscite. However, Otto Lang, the minister responsible for the Canadian Wheat Board at that time, had a personal prejudice against it, put in a convoluted question with yes, no, maybe, don't know, which needed 50 per cent of the vote. There was no way in that kind of a stacked ballot to get any proper reading.

I challenged the Minister of State for Grains and Oilseeds to organize a plebiscite in the Canadian Wheat Board area on whether Canadian farmers in fact want canola marketed under the Canadian Wheat Board. I challenge this government to stand by the results of that plebiscite because if it is really serious about using our best possible vehicles for international trade, then it has to take the Canadian Wheat Board seriously. It has to make that vehicle available before canola disappears as a profitable crop in Canada as well.

I would like to say that when it comes to the whole range of agricultural policies which the government is proposing I note that in a few weeks we are expecting a White Paper from the Minister of Agriculture in which again we will see the same general thrust.

The government talks about self-reliance. It talks about market orientation. What that means is making us much more vulnerable to the ravages of the international market. That is what pits our small producers and our small industries against the international giants. At the same time, rather than strengthening the Canadian Wheat Board and the marketing board system, which have worked very well for us and which are world models, this government should make it clear once and for all that it has gone as far as it is going to go in dismantling those structures and that in fact it is going to get together with the Canadian farm community to help enhance those vehicles.

Certainly nobody on this side of the House has ever said that we do not need export markets in agriculture. We do. We are asking for this government to take the actions that will in fact help farmers, not help Cargill, not help Continental—

An Hon. Member: We need to make our agriculture more competitive, right?

Mr. Funk: We have a member from Manitoba who says we need to make our agriculture more competitive. We certainly do. We are not going to do that by cutting our farmers off at the knees.

Mr. Foster: Mr. Speaker, I was very interested in the comments of the hon. member from Saskatchewan. I thought he might have listened very closely to the comments made by the Parliamentary Secretary to the Prime Minister. He was talking about the great record sale of Durum wheat. It reminded me of the speech that the Deputy Prime Minister made last week to the Canadian Grains Council in which he said he was "deeply concerned and deeply annoyed by the recent actions by the United States that run counter to the spirit of the trade agreement". He went on to say: "The American Durum growers are wrong to complain continually about our exports of Durum for pasta and noodles. They are wrong to threaten countervail action."

It occurs to me that perhaps there is something wrong with the free trade deal if these guys are so wrong. We think they are wrong too. It seems to me that it is very naive of the government to enter into a free trade deal in which the United States has the full power to implement countervail action and dumping duty action and expect that groups are not going to do it. It seems to me that it is the free trade deal that is wrong.

It is interesting to note that in this case all the American Durum wheat producers have to do is lay a complaint with the International Trade Commission and they can start monitoring and gathering all the information—this is a very expensive business—so that they can launch a countervail action against Canada for their Durum wheat or whatever the arrangement is. We put that amendment forward in the free trade deal so that we would be able to take similar action. We wanted to try to strengthen it, to improve it, but of course it was voted down by the government.

I just wonder if the hon. member from Saskatchewan, whose producers would be equally concerned about the actions taking place, thinks that the free trade deal is wrong not to anticipate these kinds of problems and have remedial actions within it.

Mr. Funk: Mr. Speaker, I thank the non. member for that very excellent question. A member from Saskatchewan should not have forgotten to mention the question of Durum, especially in the southern part of our province which has experienced some very tough years through drought, prices and so on. Durum wheat has been one of the few bright spots in the agricultural picture in Saskatchewan. In fact it amounts to hundreds of millions of dollars worth of crop for Saskatchewan producers.

As the member pointed out, we are now being subjected to harassment, as we are any time we do anything that is effective in trade. The Americans are not interested in fair trade. That is becoming quite clear. As soon as we beat them at something they are harassing us. The whole point, as I understood it, of the free trade deal was that it was supposed to take this harassment out of the system. First, the spirit was supposed to be different. Second, mechanisms existed to shake this harassment that constantly is happening to our farm communities.

I was interested too in the Deputy Prime Minister. He sounded like an opposition member. He is the guy who endorsed this free trade agreement. He is the guy who sold it to people as the answer. Now, a year later, he is crying in Calgary saying that it does not work. I was just hoping that he had made those comments personally and perhaps with even more force to the Minister for International Trade who is in the House and who hopefully is taking these things to heart.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated on the first ten minutes and five minutes of questions and comments. The next one is the Hon. Member for Mackenzie.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I rise to speak briefly on the opposition motion today which condemns the government for having jeopardized the future of Canadian agriculture by its ill-conceived trade policies, especially the Canada-U.S. trade deal. There are five points to the motion. In the 10 minutes that I have I will try to speak quickly to each.

The first points out that we were promised by the proponents of the trade deal that this would allow us to gain access to the U.S. market. It is not obvious that there has been any great gain in access to the market. We have seen instead complaints about our exports of Durum wheat into that market. We have seen a countervail lodged against pork producers into that market.

During the period when the trade deal was being debated the proponents of the deal said that one of the things that we could be assured of if we got a Canada-U.S. trade agreement was that there would no longer be countervail actions against pork and hogs. It turned out that they were wrong. Those of us who read the agreement and looked at the U.S. law were quite certain that they would be wrong. The words were there. In fact, if anything the words strengthened the U.S. position and the U.S. power to countervail provided them with an opportunity under the new U.S. trade law to countervail against the secondary product, namely the pork which had previously been seen to be a separate commodity from hogs.

Now under a new U.S. trade law pork is deemed to be simply a byproduct of hogs. If there are subsidies going to the production of hogs, then it is thought that those subsidies apply to the production of pork. Therefore the pork is countervailable. So far, and we are right at the last stage, it looks as if we have lost that countervail argument.

The Canadian pork producers are setting aside $2 a hog in an attempt to stop the processors from depressing the market even further. Producers are saying: "We'll take the loss of that American market ourselves and set aside a fund in the event that future rulings permit an even larger countervail action retroactively," something which the American trade law does in fact permit.

The advantages that we had in the pork market and in other agricultural sales to the United States have disappeared in part because of the trade deal, but also because of a change in the value of the Canadian dollar for which we can thank this government and the Bank of Canada's interest policy. As we keep putting the interest rates up, we increase the value of the Canadian dollar and make it much more difficult for our farmers to export commodities into the United States on a competitive basis.

• (1620)

The actions that have been taken by members of this government have been twofold. They have virtually sold out Canadian agriculture interests with the signing of the trade agreement. They have made the economic viability of those exporters less viable because of a changed interest and dollar policy, making it very difficult for us to compete with the export of goods into the United States because the dollar is ever strengthening.

We have not recognized the reality of dealing with a larger power. We made these points during the course of the trade debate. I make them again because I think that all sides in the current GATT round have forgotten that economic conditions changed dramatically in the field of trade. When we are manufacturing rules to conduct trade, we have to be cognizant of what those changes are likely to be.

After the Second World War some of our first efforts at regulating ourselves in the international market I believe failed in the wheat market because Britain and Europe became able to produce their own wheat after the war. It took them five or six years to get their fields worked up again and to get the machinery and inputs there, but when they finally got them there they became almost self-sufficient. A very large market for our wheat and barley largely dried up in the early 1950s. Mr. Speaker, you will remember the glut that we had then. We were at odds as to how we could find new markets. We gradually opened up markets first to the U.S.S.R. and then to China. In the midst of these trade negotiations, we are perhaps at a pivotal point in history. Both China and the U.S.S.R. are very close to becoming self-sufficient. At the same time we are seeing a strange new pattern emerging from the United States where for the second year in a row the Americans have failed to produce enough food to sustain themselves. They are beginning to live off the mountain of surplus grain that they have had in storage.

If the greenhouse effect is going to continue and the desertification of the western United States does continue on at its current rate with the result that parts of China and parts of Russia become more productive, we could see a switch in the flow of trade from west to east in the other direction. Our negotiators do not seem to realize that these power positions do change. Governments change. Even world power situations change and the balance of power shifts.

I think the United States and the European Economic Community could be more cognizant of the fact that the shoe could be on the other foot very quickly. During the negotiations they should begin to look at what would happen if they were on the receiving end of some of the policies they are attempting to bring forward in the GATT. That is something that our government did not pay very much attention to during the negotiations with the Americans. Yes, it is true that they are a much larger power than we. Yes, it is true they would have more clout at the bargaining table. We had put ourselves in a very vulnerable position taking on the largest power in the world, a country which is 10 times the size of us economically, and a good neighbour. There was no one else at the table to side with us when the sledding got rough, so we ended up with the kind of deal we got.

During the debates on the trade deal some of us recalled the comments that some of the American business people were making about the deal. I recall the president of Campbell Soups making a marvellous observation about free trade between Canada and the United States. He said: "Free trade will be great. We can shut down all of our Canadian subsidiaries, run the plant in Chicago Sunday night and supply the whole Canadian market". A year after we are finding that the subsidiary in Portage la Prairie is going to be closed. There will probably be other announcements. Maybe some of them have been made. I noticed the one in Portage la Prairie because it is in my region. A lot of his own predictions are coming true.

The problem for Canadian farmers and for Canadian agriculture is whom you sell to. Who do you sell your potatoes and vegetables to when Campbell Soup's plant is down in Chicago? It is pretty hard to ship a product that far when the area around Chicago can produce virtually the same quality of vegetables and produce a lot cheaper. The producers are much closer to the market.

Some of the things that we feared are coming true. This government should be criticized for that.

Likewise with the ice cream and yogurt decision, the decision came down as we predicted it would. It will undermine supply management. It will undermine the Canadian Dairy Commission and the marketing board structure in this country. We do not see this government fighting for the strength in Article 11 which will permit countries to have supply management and marketing systems in their own country. We think the government should be stronger on this. We know it is against its basic convictions, that the market should determine things, but it should always remember that when you leave things to the market you are leaving things to the most powerful and, in this case it is the Americans and the Europeans. We are not particularly enthralled about being in their clutches without some international body standing in between.

We think this government should be siding with the other smaller countries to get a good, fair deal for Canadian agriculture and agriculture in the other smaller countries so that our farmers can survive in the new world that is developing and emerging out there right now.

Mr. Ferguson: Mr. Speaker, I wonder if the member could tell us what has happened to the price of oats. During the last crop year, they were removed from under the jurisdiction of the Canadian Wheat Board. The minister spoke very glowingly this morning about what has happened in the industry since they were taken out from under the jurisdiction of the Canadian Wheat Board. I would like to know what has happened at the farm level. What has happened to the price of oats? What is liable to happen in the future?

I would also like to hear some comments about several grain sales. In the week of September 21 the United States sold 22,000 tonnes of Durum wheat through its Export Enhancement Program at a subsidy of $6.48 a tonne. On October 5 it sold 1 million tonnes to Egypt, Algeria and Sri Lanka at an $8 a tonne subsidy. It sold 1.5 million tonnes to the U.S.S.R. under the Export Enhancement Program at a subsidy of $8 a tonne.

Is this impacting on the farmers of western Canada? Does this government have any programs to counterbalance those large subsidies? Does the member have any personal suggestions as to how we can stop this type of action by the United States government?

Mr. Althouse: Mr. Speaker, there were two aspects to the question. The way the U.S. has continued on with the enhancement program I think breaks the spirit and even the letter of the law, but it persists in it. This was raised in the House numerous times after the signing of the agreement when the enhancement program was going on. One of the things that our negotiators seemed to have been unaware of was that the U.S. was moving—at the same time as it was signing this agreement which has a clause which appears to say that the enhancement program would not be used in markets that we are into—to authorize the use of the enhancement program well into the 1990s, unbeknown to our negotiators apparently.

The United States Government does not seem to have any intention to live up to the writing in the deal. This is fairly consistent with previous wheat agreements and other international grains agreements where its perception and understanding of the deal is not what it says in writing but how it feels it should be interpreted. It basically comes down to who is the biggest, who has the most power and who can get away with it. That has not changed with the agreement in spite of all the high hopes of the Prime Minister and the Never Never Land that he comes from.

• (1630)

With regard to oats, since the Canadian Wheat Board no longer markets oats, oat prices have gone into the pits, Mr. Speaker. You should know that. The price is around $1 a bushel this year. It was well over $2 and sometimes approaching $3 last year. We do not have that any more. We do not have a Wheat Board to negotiate prices for producers, and neither do we have an interest free cash advance program so that producers can feel

confident in holding the oats off the market. As a result, there is a surplus of oats coming onto the market, depressing the market, and it looks as if it will be depressed for at least all of this year. We need the Wheat Board back.

Mr. Speaker: Questions and comments are now terminated.

On debate, the Hon. Minister for International Trade.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I welcome the opportunity to participate in what is supposed to be a debate. Mind you, we are debating one of the most feeble Opposition day motions ever to come before the House of Commons. Both opposition parties have not got one positive suggestion as to what they would do, were they in power.

Mr. Funk: Put canola under the Wheat Board.

Mr. Crosbie (St. John's West): They are Lilliputians. Two Lilliputian parties without anyone to lead them, wandering in the wilderness, and all they can do is act as naysayers. Why, they are against everything. They haven't a positive—

Mr. Funk: Put canola under the Wheat Board.

Mr. Crosbie (St. John's West): You might be able to out-lung me. Go ahead and out-lung me if you wish. But if you want to listen to some common sense and logic, keep that aperture there closed and you will be able to hear and, I hope, learn something.

I have only been here to listen to two speakers, both from the lost party, the wandering-in-the-wilderness party, the New Democratic Party. Idi Amin said this: "Sometimes people mistake the way I talk for what I am thinking". Well, in listening to the hon. gentlemen talk, I thought it showed they were not thinking in the first place. There was no evidence of thinking in what they said.

This is a serious topic. The reason why it is serious is this, that about half of the $20 billion in cash receipts generated in our agricultural sector every year are generated by international trade. Yet, if the hon. pygmies opposite were ever to be put into a position where they could influence what was happening in international trade, then this half of $20 billion in cash receipts would be under serious threat, of serious damage, because they want to believe that they can operate alone in a world all by themselves in Canada, that they do not have to worry about the rest of the world, that do not have to participate in a world trading system that has rules that have to be observed and a system that needs the rules improved.

Agriculture in Canada and the food industry is big business. Ten per cent of Canada's Gross Domestic Product comes from the industry; it provides 1.6 million jobs, about 15 per cent of all jobs in the country. That is why it is one of the most important priorities of ours. That is why it deserves better attention than this jacked-up, scrambled, disheveled, this confused resolution that we have before us today that states that the future of Canadian agriculture was jeopardized by ill-conceived trade policies, especially the Canada—U.S. trade deal.

The Canada—U.S. trade deal was stated by us to better protect our market access to the United States market, and that is what it is doing.

Mr. Milliken: And you were wrong.

Mr. Ferguson: You should hear what the hog producers have to say about that.

Mr. Crosbie (St. John's West): Whether the hon. gentlemen opposite like it or not, the United States market takes 75 per cent of the exports from Canada. That creates 2 million jobs in Canada. The hon. gentlemen do nothing but bray like donkeys or oink like the hogs that the hon. gentleman is talking about. They bray and they oink about the sins and the policies of the U.S. They complain about the Americans every day in the year. They continually blackguard the Americans and they continually ignore the fact that 75 per cent of all the exports of this country go to the United States of America. When are they going to grow up and start accepting the responsibility, they are responsible as well—for trying to improve our performance. They have to get on with the United States, just as we have to get on with the United States, just as most countries of the world have to get on with the United States of America.

If they were travelling around the world today, they would discover that because of the U.S.–Canada Free Trade Agreement, the rest of the world looks favourably on Canada as a place to invest, as a place for the future, because of our improved market access to the United States of America.

This may have been mentioned earlier today in this debate, I was not able to hear my hon. colleague, the Minister of State responsible for the Wheat Board, a brilliant minister, but just look at our record in agriculture. We came to the aid of the farmers of Canada when they were caught in the crossfire of the trade war between the United States and the European Community. Largely to offset the effects of that trade war, we paid about $12 billion in direct and indirect support to grain producers between 1985 and 1989.

That is a record that the hon. gentlemen, no matter how much they caterwaul, how much they complain, how much they niggle, how much they distort, how much they bray, cannot gainsay $12 billion in direct and indirect support. While the hon. gentleman who preceded me was braying away in this House over the last four years, we were acting. We were acting to put $12 billion in direct and indirect support to grain producers.

We want to help grain producers further by negotiating the conclusion of a successful Uruguay Round of the multilateral trade negotiations at Geneva and that is what we intend to do. The only way Canadian farmers and farmers interested in exports are going to have assurance for their future is if we can successfully conclude a trade negotiation at Geneva in the Uruguay Round that will set proper international rules for agricultural products and bring them under GATT from the end of 1990 onwards. That is what will give them assurance because our farmers, if left to compete fairly, can compete, outsell, outdo, outgrow and be more efficient than any other group of farmers in the world.

In fact, over the previous four years the Government of Canada, of which I am proud to be a member, has invested $17 billion in agriculture, double the money spent by our predecessor Liberal government in the previous four-year period. The Liberals are not even in the picture.

We have had to defend farmers against destructive trade practices, and we have defended them. Just keep in mind that the net market receipts for grains and oilseeds dropped from an annual average level of $2.4 billion between 1981 to 1984, to $475 million in 1987, and you can see the impact and the need for the unprecedented support that we have given the Canadian farmer.

Now we have to go on and we have to secure international trade reforms. This is the most important negotiation for the nations of the world since the world began—that is not to sound too dramatic—but certainly, since the GATT system came into effect in the late 1940s. Agriculture is going to be the making or the breaking of this trade negotiation. That is why we have tried to take a leading role in the negotiations that have to do with agriculture. That is why we have been members of the Cairns group to try to get an acceptable compromise agreed upon by the nations of the world in agriculture so that agriculture can be covered by world trading rules.

Middle nations like Canada are not one of the world's giant nations. We are middle power. We do not have supervening power. We cannot ignore all the other countries of the world. We are not one of the world's great military giants. We are not one of the world's great economic giants. We are the kind of country that is going to be really hurt if we cannot get a successful resolution of these issues in the MTN negotiations.

The government has put in at Geneva a market access paper that will apply to Canadian agri-food products as well as to other agri-food products. We have put in papers and subsidies and countervail. We are taking a leading role in these negotiations, non-tariff barriers and other barriers to trade that are being discussed at Geneva. We are working on clarifying and strengthening Article 11 which sets out the conditions under which countries may operate supply management systems.

• (1640)

Now, don't let us get anyone confused by the meanderings and the distortions of the honourable Lilliputians opposite, the honourable dwarfs—dwarfs when it comes to policy. How often do we ever hear a suggestion with respect to policy by the honourable dwarfs opposite? Very infrequently.

Now, what is our position with respect to agricultural trade reform? We know that agriculture in Canada is going to profit from increased trade liberalization and that is why we are supporting a clear and fair set of rules

for trade in agricultural products. That is why we are supportive of the general thrust of approaches such as the one suggested by the United States a few days ago. We want to work with them, and we want to work with the European Community and the other nations at GATT to try to get a substantial result, and work with the nations that make up the Cairns Group.

We are pleased to see that the United States has adapted much of our approach to the subsidy question, and the establishment of three categories of subsidies: those that would be prohibited; those that would be allowed but reduced; and those that would be allowed without any reduction. There is much to be done in negotiation and analysis before that is settled. We are ready to examine seriously any proposal that will reduce trade distorting domestic subsidies and which eliminate export subsidies. But, we intend to maintain our right to develop programs which respond to Canadian conditions. It is clear that all countries, including the U.S., will want to continue to support their agricultural sectors, but in ways which are less trade distorting than are some current programs.

With respect to supply management, our position is that Article 11(2)(c) has to be reviewed and clarified so that countries will be able to operate effective supply management systems within their rights and obligations under the international rules. I am the minister in charge of the negotiations.

Mr. Speller: Are you sure?

Mr. Crosbie (St. John's West): I am quite sure. I have my instructions, and my instructions include what I have just passed on to you, that we are going to continue to be able to operate effective supply management systems within our rights and obligations that are set under international rules. That is the purpose of this exercise. We do not intend to negotiate at Geneva or a final result to the GATT discussions that does not meet that principle. We intend to preserve the supply management system in as reasonable a way as is possible, and to have it covered clearly and effectively under international rules. That is our objective. That is why, of course, we cannot accept the American argument with respect to supply management systems as contained in their submission of several days ago.

It was here suggested that the U.S.-Canada Free Trade Agreement would do away with the problems or irritations that might arise between the U.S. and Canada with respect to trade. No one ever pretended that the U.S.-Canada Free Trade Agreement would do away with U.S. domestic legislation any more than anyone pretended it would do away with Canadian domestic legislation. Just as we have the right to take action to protect ourselves if we think there is an unfair subsidy by foreign exports coming into Canada and take countervail action, the Americans have got legislation that permits the same or similar type actions to themselves.

We think that some of their legislation is unfair. We think that they are too protectionist in the Congress. We know that the American administration does not control the Congress. In fact, we know that no one controls the Congress. Congress is controlled by little coalitions of groups that come together on one issue, dissolve, and form up again on another issue. No one is really in control under the modern American Congress. So we understand how the system works down there and while it is irritating, we have to accept the irritation. There is nothing we can do about that particular irritation.

You can imagine our irritation, Mr. Speaker, at the American position on ice cream and yogurt, when they themselves have a GATT waiver that effectively prohibits us from exporting dairy products to their domestic market, and then they turn around and complain about a quota that we put on with reference to U.S. ice cream and yogurt imported into Canada to protect our own domestic industry.

Mr. Milliken: Which you would not have had to do, if you had done it right in the free trade deal.

Mr. Crosbie (St. John's West): How would we do it right in the free trade deal? Are we to take the American's arm and put it up behind their back and twist it, and force the big giant to its knees? That is what the hon. Lilliputians opposite would have done, I am sure.

So there is a GATT waiver for the United States, but there will not continue to be a GATT waiver for the United States, if there is a successful and substantial completion of the agricultural discussions which are going to go on from now until next fall in the Uruguay Round of the GATT negotiations. There will be no substantial results in agriculture if the U.S. continues to hold on to this waiver. There will be no successful result if the EEC continues to hold on to unreasonable

practices that the EEC has involved itself in, or Japan, or other countries as well. This is a multi-way process. Everyone is going to have to give to some extent to get a satisfactory result.

We are well aware of the importance of supply managed commodities. Poultry and dairy, major sectors in Canadian agriculture, contribute about one-fifth of our total farm cash receipts. We know that supply management has provided a strong measure of stability to poultry and dairy producers, and it is going to continue to be an important instrument of our federal agricultural policy.

The Deputy Prime Minister, my colleague, made a speech yesterday in which he outlined some of the annoyances he felt as a result of some of the things that have occurred with respect to U.S.-Canada relations in trade matters as they affect agriculture. One can understand his annoyance. We think that with the U.S.-Canada Free Trade Agreement in place both sides should be able to approach these disputes in a larger spirit so that they did not all have to be settled as though they were legal cases that somehow had to go to a court to be settled. Nevertheless, it is a great advantage to us to know that many of these disputes are now going to a binational dispute panel on which we will have representatives so that we have a fair chance of getting a better result when trade disputes occur in the United States of America.

I might point out that the processed food industry is gearing up to take advantage of the agreement. Statistics Canada figures show investment intentions in food processing are up 15.4 per cent this year to $1.3 billion, an increase from $1.1 billion in 1988.

However, as the Deputy Prime Minister pointed out yesterday, we share the concerns of industry about certain recent actions in the U.S. that we think run counter to the spirit of the trade agreement. One of the silliest areas are the threats by U.S. Durum producers with respect to the sales of Durum by us to the United States market. We believe that U.S. Durum producers are away ahead in the subsidy game. We believe that the subsidies they receive amount to something like $40 to $50 a tonne more than any subsidy that could be alleged to exist with reference to Canadian Durum producers. We think, as well, that the U.S. export enhancement program is a significant factor in depressing prices in world wheat markets. That is why this agriculture negotiation is so important and so necessary.

• (1650)

It is regrettable that neither the Official Opposition nor the unofficial opposition, neither the opposition party that does not have a leadership contest on at the moment but has simply been without a leader for a number of months and is more than satisfied because it does better in the polls without a leader than it does with one nor the other party that has Snow White and the Seven Dwarfs running around the country trying to compete for the leadership of their parliamentary rump, has made one solid contribution to this debate as to what our policy should be either in the MTN negotiations or in the agricultural field generally.

All we have heard is the usual shibboleths, half-truths, distortions, and gobbledegook about the U.S.-Canada Free Trade Agreement. They do not even realize that it is enacted now, it is passed, it is entered into. It has been in effect for 10 months. Chicken Little was wrong. Chicken Little Turner ran around Canada saying that the sky was going to fall if we had this agreement and now the Canadian people—

Mr. Milliken: You can't call him names here.

Mr. Crosbie (St. John's West): The right hon. Chicken Little Turner ran around saying the sky would fall if we enter into the U.S.-Canada Free Trade Agreement. It has not fallen. The sun is brighter than ever. The opportunities are endless, and I thank you for allowing me the time to speak.

Mr. Foster: Mr. Speaker, I was very interested in the genial comments of member for St. John's West, the Minister for International Trade. He talks about listening to some sense. I was very interested in his comments that it was never expected that the free trade deal would do away with countervail and American trade actions.

It is rather interesting that he is saying that today. He really made a lot more sense in a St. John's board of trade meeting in July 1987 when he said: "Unless we get out from under the threat of countervail and other U.S. trade remedy law, unless there is an effective dispute settlement resolution to bind the Americans to their commitments, a free trade deal with the United States would be not a good deal for Canada." I think he was making more sense then than he is making now. We always thought he was deteriorating, but this proves it.

I wonder if he would also agree with what the Prime Minister was telling his friends down on *The Wall Street Journal* just two or three months before that on April 3 when he said: "U.S. trade remedy law cannot apply to Canada period." He went on to say in the same interview: "You can't have a free trade arrangement and expect the traditional laws of countervail to apply."

How do you believe any of this stuff? It is just unbelievable. He said in his speech: "How would you do the ice cream and yoghurt deal in a right way under the free trade deal?" You know, one thing he might do is start to tell the truth. The Minister of Agriculture ran all over this country and said: "Boys, no worry about the supply management and marketing boards. We have put all those products that are going to lose their tariff over on the import control list. No problem". There is a big problem today and that precedent at the GATT threatens to completely destroy our whole supply management and marketing board system.

But I wonder in a more serious vein if the minister could just answer a couple of questions, just so that dairymen will know in this country. Is the government going to accept the GATT panel recommendation decision with regard to ice cream and yoghurt either at the November 7 meeting or the December 4 meeting?

Could the minister say how he is going to oppose the United States tariffication system for controlling imports? Essentially that system is exactly the system that we now have in ice cream and yoghurt which as the tariffs come down leaves it totally wide open. I wonder if the minister could comment on that.

Is Canada going to oppose that because we are in a free trade area, we are going off to the GATT, and we are going to remove all subsidies? I wonder whether he is getting any support for Canada's position at the Cairns Group. Supposedly we are members of the Cairns Group. Is he getting any support for Canada's position? I wonder if the minister could also comment on whether or not the government is planning to accept the proposed aggregate system of measurement for subsidy systems on farm commodities.

Mr. Crosbie: Mr. Speaker, I think we have to forgive the hon. gentleman a certain measure of exaggeration when he makes the quotes that he is allegedly making there. He quotes my leader, the right hon. Prime Minister, and I want to quote one of his leaders.

The hon. Premier McKenna of New Brunswick said on June 21, 1989: "Because of the FTA we are starting to feel like we are on the move and that we have got an opportunity to share the wealth of Canada in an equal fashion."

This was stated by Premier McKenna six months after the Canada–U.S. Free Trade Agreement went into effect. One of the few Liberals in this country one can listen to, pay any heed to, learn anything from, who speaks his mind and has a contribution to make; not a ghost like the present Leader of the Opposition, if they have a leader. One day he is in this Chamber and the other day we do not know where he is. He is not visiting international precincts, that is for sure. He is not giving much leadership.

Premier McKenna, who is a leader of a substantial number of people in the Liberal party, has said: "We are starting to feel like we are on the move, and we've got an opportunity to share the wealth of Canada in an equal fashion." That will explain what the value of the free trade agreement is. I do not need to go on to prove any more about it, but perhaps I should. Who would you like me to quote? Do you want a quote from a politician, a quote from a businessman, or a quote from a business statesman?

Mr. Skelly (Comox—Alberni): How about answering the question?

Mr. Ferguson: Just answer the question.

Mr. Crosbie (St. John's West): You want me to answer the question. With respect to the GATT panel on ice cream and yoghurt, we will decide on that matter as matters proceed as to whether or not we should accept the GATT panel report with respect to ice cream and yoghurt.

I think we want to look at it in the same context as the United States has looked at certain GATT panel reports that have been made with reference to certain complaints with respect to U.S. policy. One of our options, presumably, is that this would be a matter that would be looked at in the context of the whole MTN negotiations during 1990.

Of course there is a considerable difference between accepting or not accepting the GATT panel report and the implementation of that report. Time will tell what our final position will be with respect to the GATT panel report on ice cream and yoghurt. It is a decision that, to some people, was not unexpected and we will have to deal with it in the context of the negotiation that is now going forward.

With respect to the question of clarification, that is a concept that needs examination and careful analysis. We are not going to reject it out of hand. This is the end of October 1989. The negotiations are going forward over the next 12 months before they are concluded. It is a concept that has to be examined.

Trying to get the costs of non-tariff barriers by applying the principle of clarification can be useful. Aggregate measure of support is a very useful concept. It is a complicated, involved, and intricate process. There has been no agreement yet by all sides on what is an AMS, an adequate measure of support. That is a concept that certainly has to be pursued so that everyone can see just what it costs them to give in certain areas and just what they may gain in other areas. These are useful tools, but all they are are tools.

With respect to the laws of subsidy and countervail, Canada has made a submission to the GATT and on all hands this has received considerable support. I hope the hon. gentleman has read it. It is going to be used, I think, as the document for negotiation with respect to subsidy and countervail. If that paper is accepted in the course of these negotiations then the whole system will be that much further ahead and we will have a much more favourable, fair and sensible system with respect to what is legitimate and what is not with reference to subsidies and countervail.

• (1700)

Mr. Althouse: Mr. Speaker, I am pleased to address the minister, who spoke late in the day, when the sun was low, observed his own shadow and decided he was bigger than the rest who had spoken earlier. I notice that the minister has belatedly recognized that the U.S. Congress is never bound by international agreements. However, that is not what I really want to ask him.

As I noted in my speech, world situations change rather quickly in agriculture. I wonder if he could explain to us why Canada and other members of GATT have decided to proceed with these arrangements to try to solve for the next decade or so the agriculture and other trade related items without including the U.S.S.R. and China in the agreement. Both countries are showing signs of becoming very large agriculture producers. China has had a surplus for export two years out of the last three years, at a time when the United States of America is no longer supplying its own needs and has been living off grains in storage for the last two crops.

Does the minister not think that any future GATT agreement with the existing members is almost doomed to failure, as the climate changes that appear to be taking place leave both the Soviet Union and China in a position of being exporters of grain and other basic commodities? How can we be in a position to attempt to resolve any trade disputes when we have left out two of the potentially largest produces of agriculture?

Mr. Crosbie: Mr. Speaker, the People's Republic of China wishes to become a member of the GATT and there have been discussions in that connection going on for a number of months now. The U.S.S.R. is interested as well. These countries can only become part of the world trading system when they are prepared to accept the market system and the kind of international trade rules that apply to the world market system. Once they are ready to accept those rules then I have no doubt that they will be welcome.

It often puzzles me, Mr. Speaker, how it is that in Canada our socialists are so retrograde, so far behind their compatriots in New Zealand and Australia, countries which have discovered the market, like the East European socialists. The market has been discovered in Australia and it has been discovered in New Zealand by socialists, die-hard socialists. Yet, here in Canada we have a few Jim Crack socialists running across the country opposing anything to do with the market, which they say is heartless and so on. Here are their socialist compatriots, and the leader of the New Democratic Party is one of them, he is a vice-president, and they are going around the world saying the exact opposite. Talk about inconsistencies.

I might say that Mr. Jack Parnell, the U.S. Undersecretary of Agriculture was here today for discussions with our Deputy Minister of Agriculture and one of the issues we raised was Section 332, investigation of our Canadian durum exports to the United States. It is an investigation, of course, which in itself does not lead to any action being taken against us, but we do not like the suggestion that there is anything to investigate in the first place and that was a matter discussed with the U.S. undersecretary today.

I might ask hon. members opposite, if the trade agreement was such a bad deal why is it that since the agreement came into effect there have been several major announcements by oat millers? I think the subject of oats was brought up a bit earlier, the hon. gentlemen opposite do not know their oats, I can tell them that. There have been several major announcements by oat millers. They are going to spend up to $30 million. That is the total so far for upgrades to take advantage of the opportunities that now exist for us south of the border with respect to oats, $30 million. There is Quaker Oats in Peterborough, $17 million; CanOat Milling Incorporated, with a $17 million oat processing mill just outside Portage la Prairie, Manitoba; and another unspecified number of millions of dollars by West Glen Milling in Alberta. All of this is to follow up the opportunities that Canadian oat producers have as a result of this agreement.

It is time for the hon. gentlemen opposite to get their nose into the oat bag and learn a bit about it.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, as I begin my comments today, I have a nagging question. Where are the benefits to agriculture that the Tories promised under the free trade agreement? I have not seen any of these benefits as a member of this House, nor have I seen benefits as a farmer. I do not think this government can name one—not one benefit.

Agriculture has been hit the hardest blow. Here is the Tory agricultural record: the two-price wheat system axed; supply management in the dairy industry has eroded; transportation programs are at risk; Advance Payments for Crops Act eroded; At and East threatened with elimination; countervail duties increased on Canadian pork.

These are only but a few of the attacks on agriculture. Is this fear mongering? No, these are facts. Fear mongering is a term that is near and dear to this Prime Minister and his colleagues. To satisfy American interests, this government dropped the two-price system to the detriment of the domestic wheat producers across Canada and in particular, to the small fledgling milling wheat industry in the Atlantic region.

Canadian wheat production is boasted around the world as the stalwart of the Canadian economy, but it suffered the first attack. Since then, Canadian agriculture has become a combat zone, with Tory destruction hitting all areas of agriculture.

Transportation programs in Atlantic Canada are also threatened. Feed freight assistance is under review. This subsidy, and I use the word with great caution, was put in place to equalize the cost of feed grains across Canada. In doing this, it stimulated the establishment of pork, egg and poultry industries in the Atlantic region. These subsidies allow maritime producers to compete with producers in other parts of the country. We can make sure that this review will eliminate this program as we know it, and with it the fair equalization of feed grain prices, leaving Atlantic producers again stripped from protection, another free trade victim.

At and East is also on the block. Bill C-26 has already had first reading. The elimination of At and East will leave Halifax and St. John elevators totally at the mercy of the marketplace, or should I say, American interests. Virtually all export grain in the east moves under rates provided under At and East. As the Maritime Farmers' Council wrote in their position paper of January 1989:

> The continued use of the Port of Halifax as a grain export point is also dependent on the continuation of the At and East program.

Then in March 1989, less than three months later, At and East is listed on the budget cutbacks, demonstrating no concern for the views of maritime farmers.

The grain storage depot for Atlantic Canada is threatened and the consequences on the livestock industry will be severe. The free trade victims are adding up. This government has no commitment to the cereal industry in Atlantic Canada or in this country.

Speaking of commitment, where is the government's commitment to the pork industry? Pork producers across Canada have stated that the countervailing duty order imposed by the United States on fresh, chilled and frozen pork imports from Canada is completely unjustified. Along with this 8-cent duty, the potential exists for supplementary duty amounts to be assessed. The uncertainty this will cause among producers will ultimately affect an already depressed market. This uncertainty in the pork industry is also evident in the dairy industry and is contrary to the stable environment created by the

supply management system, a system farmers and previous governments worked hard to create. They were governments that were obviously concerned about farmers.

• (1710)

This uncertainty has been further strengthened by the action of some banks of discounting quotas by 50 per cent. Banks fear that, "Production quotas will be the sacrificial lambs". They will be sacrificial lambs at the altar of the free trade agreement.

Worse still is that this government has reneged on the commitment made to the dairy industry under the long-term dairy policy. This weakening of the supply management system seriously threatens the dairy industry in Canada. The Americans continue to challenge supply management and this government allows it to happen.

The P.E.I. Milk Marketing Board stated, on February 15, 1989 in the P.E.I. "Dairy Industry Concerns": "It is imperative that the Canadian government successfully defend the United States challenge or the Canadian dairy industry will suffer irreparable damage."

Canada has to uphold the rights of Canadian farmers to control the import of ice cream, yogurt, skim milk, ice milk, et cetera. If this is not upheld, the doors will be open wider to American demands. The fear is that the United States wants full access to the Canadian market, giving us nothing in return. The United States is determining how Canadian farmers will survive.

This government is blindly and uncaringly sitting by and allowing American interference in Canadian policy. Programs such as the Advance Payments for Crops Act benefited all farmers. The government is eliminating the interest free portion of this act, for no other reason than it is considered a subsidy under the free trade agreement. It has nothing to do with deficit reduction, nothing to do with impending markets or any other rhetoric. It has to do with free trade.

The agricultural industry is being seriously eroded beyond redemption. Farming operations are being curtailed and farmers are selling their farms. Farmers do not see any future in farming because this government is selling them off to the Americans under the free trade agreement.

It is bad enough that this government favours big business and has no vision of Canada, but this government has been kowtowing to the United States. The Tories are slowly and surely turning Canada into a distribution centre and service industry for the Americans. With no viable agricultural industry of our own, the Americans will have a captive market for their own over-production and Canada, sad to say, will be an American dumping ground.

So, as you can see, in less than a year this government has managed to undermine and destroy programs in agriculture that it took decades to perfect. The future looks grim and unless this government starts to put the interests of Canadian farmers ahead of their American counterparts, it will be even grimmer.

Mr. Maurice Foster (Algoma): Mr. Speaker, I was glad to hear the hon. member for Cardigan, Prince Edward Island. While he was speaking I was thinking about the comments that our task force on the free trade deal heard when we were in the maritime provinces a year or so ago during the free trade debate. It was made very abundantly clear to us in our hearings in Fredericton that the kinds of diversified agriculture that we see in Prince Edward Island and New Brunswick and in some of the other maritime provinces, we would not see if we go into the free trade deal. The farm groups at those hearings said that if we want to see what agriculture will be like in New Brunswick, and I think we could extend this to P.E.I. and Nova Scotia as well, we could look at the agricultural scene in Maine where there is certainly not the kind of diversified agriculture that we see here. That is why I was very concerned when the Minister for International Trade was talking about agriculture being on the move.

Representatives of McCains Foods said that unless they put in a mechanism to protect supply management, there was a danger that some of their companies were going to be on the move to the United States, that the manufacturing and processing would take place there rather than in New Brunswick. They were talking about frozen pizzas and the use of mozzarella cheese and so on.

I was very concerned when the Minister for International Trade said this afternoon that the ice cream and yogurt panel decision would be treated very similarly in the United States to a dispute the United States had dispute with Australia over sugar, they did accept their GATT panel report. It sounds like the minister is also going to accept the GATT panel report on ice cream and yoghurt which would be a devastating move for our industry in this country. It would mean that 60 per cent of all processed dairy products would flow easily into Canada if there is the same decision as that taken in the United States.

Also, I was concerned about his comments that Canada would not reject out of hand the use of tariffication, because tariffication means exactly what has been done under ice cream and yogurt where it starts with a tariff that is reduced over a 10-year period. The minister's comment about aggregate measure of support being a useful mechanism is also of great concern because essentially what the Americans and most of the Cairns group will be trying to do is reduce the price of our supply management commodities to the world price, that is, the American price.

I think the concerns expressed by the hon. member for Cardigan about the government's moves on supply management are well taken.

Mr. Holtmann: Mr. Speaker, I listened intently to the member for Cardigan. He reiterated that this government was undermining programs for Canadian farmers, so I have a few questions for him. He might want to have a conference with his colleagues from that side of the House because in the previous session it was his party that voted against $500,000 for capital gains exemptions to farmers. It was the Liberals who voted against $92 million for drought relief for western farmers. He might want to question why they voted against such a measure. They also voted against some $200 million to meet the deficit of the Canadian Wheat Board. With all due respect, there he is standing in his place saying that we have undermined programs for western farmers, but in every case it was his party that voted against significant benefits for western farmers.

What about Bill C-92 where there was legislation to improve the operations of the Wheat Board, and again it was his party that voted against that legislation.

Mr. MacAulay: Through you, Mr. Speaker, I would like to thank the hon. member. Just for an example, let me state what we voted against in this budget. The government wished to withdraw $200 million from crop insurance; grain and flour transportation, $60 million; rail and branch line rehabilitation programs, $48 million; grain and crop advance programs, $54 million; dairy export programs, $12 million; commodity based loan program, $15 million; Canadian Dairy Commission, $10 million. I would like to remind my hon. colleague from across the floor that the free trade agreement is destroying agriculture in Canada, and if we lose supply management, we have no dairy industry, which is the backbone of agriculture in Atlantic Canada. I used the Advance Payments for Crops Act a number of years as a farmer, and I am well aware of what a benefit it is to agriculture and to seed producers. Even if you do not use the program, if the farmer who needs the money gets the advance interest free, it keeps the product off the market which is a major asset to marketing.

• (1720)

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I rise today to join my colleagues in condemning this government's actions and that party for its policies on agriculture and trade. Everyone remembers almost a year ago when the Prime Minister, the Minister of Agriculture, and the Minister for International Trade went travelling throughout this country telling Canadians how free trade would be the best thing they ever voted for and how it would be the greatest thing ever for our agricultural community. Well, we recently found out that this in fact is not the case. With all the recent problems we have been having in the pork industry, in the dairy industry with ice cream and yogurt, clearly this government was less than truthful in what it was saying this past election.

As agriculture is very important to my riding, I take this debate very seriously. I want to outline for members why I believe our agricultural industry is slowly but surely being destroyed by this Minister of Agriculture and his government. It is clear to me that we are facing a new era in agriculture. I would go so far as to say we are facing a new type of Canada under this government.

Agriculture in Canada faces its greatest challenge in recent history. This apprehension has increased in the days following the free trade agreement and following the recent negotiations on the General Agreement on Tariffs and Trade. Decisions that have been made for us

behind closed doors on free trade I believe are tearing down the institutions that took years to build up in Ontario and across Canada, institutions like marketing boards and the food processing industry.

Some of the marketing boards are over 60 years old. The Milk Marketing Board of B.C. was created in 1928. The Ontario Vegetable Processing Marketing Board and the Canadian Wheat Board are well over 50 years old. I will contend to you, Mr. Speaker, that these marketing boards are now in jeopardy because of this government's policies with regard to free trade and its recent agreements at the General Agreement on Tariff and Trade.

My colleagues and I have voiced our concerns respecting this direct attack on the supply management system of marketing and in my role as opposition critic for trade I will continue to defend Canadian farmers and the interests of Canadian farmers against this government's attack on agriculture. Why do I believe that agriculture will be adversely affected by this government?

In the past few years the United States has found its agricultural industry in chaos. In most cases farmers have simply produced, produced, and produced, hoping that they will receive a fair return for their products on the export market. When they do not, the American government uses huge amounts of money to subsidize producers of these products, caring little for what they receive on the world market.

Agricultural trade policy analyst Mark Ritchie, from the state of Minnesota, agrees when it reported that according to U.S. figures, the return on wheat recently sold to the U.S.S.R. only gave them 39 per cent of their cost of production. This, he said, established an artificial world price. Well, if they are subsidizing their farmers by that much how are we to compete? If we are to trade fairly in agricultural products, surely we can expect the Americans to also trade fairly. Nowhere in this free trade agreement, or nowhere in this government's trade policies do we find anything that says that we will have the same trading conditions as the Americans. This is not a level playing field. Unfortunately some years ago under GATT the Americans were given an exemption.

Well, we cannot have a free trade deal while the Americans have an exemption. And this government was neglectful in signing a free trade deal under those conditions.

I believe the government is trying to circumvent marketing boards by increasing imports. Once it destroys the agricultural industry, we will be dependent on our good natured buddies to the south, or the Prime Minister's friends to the south, for our food products. What kind of country will we have when we depend on a foreign country for our foodstuffs? What kind of sovereign nation will Canada be if we will have to continually buy food from the Americans? This free trade deal and this government's policies with regard to trade in agricultural products will eventually lead us to that spot.

Now we have the so–called proponents of the free market system saying, what has worked before must go, and we must be a part of the world chaos in the marketplace. I say this must not go. We must be able to have our own institutions. The former Prime Minister shakes his head. Quite frankly, your negotiations at GATT with the Minister for International Trade have gone nowhere.

Mr. Clark (Yellowhead): Mr. Speaker, I rise on a point of order. I do not know the philosophy on the rules. I am not sure if I can ask a question at this stage. But I wonder if the hon. member would like to compare the multilateral trade negotiations under the Liberal government in the Tokyo round with those that we are engaged in now with regard to the protection of agriculture.

The Acting Speaker (Mr. Paproski): There will be an opportunity after the hon. member finishes his debate at 5.30 p.m. for questions or comments.

Mr. Speller: Mr. Speaker, I could not hear exactly what he said over all the noise.

Mr. Boudria: It was irrelevant anyway.

Mr. Speller: As in all the areas of policy this government deals with, we see a long line of broken promises. Let me review this trail of broken promises for you, Mr. Speaker. I am afraid with my short time I will only be able to mention one or two. The one that we are specifically talking about today is the commitment by this government during the past election that our Canadian agricultural industries would not be harassed by the Americans.

We have clearly seen in recent weeks and months that this is not the case. In fact, in the areas of pork, fishing, steel, yogurt, and ice cream there is constant American harassment of our industries, with no response from this government. In fact, the part-time Minister of Agriculture said recently in Calgary that the United States is harassing with some trade policies which are "wrong, unfair and hypocritical." This is a great time to tell us. Why did he not tell us that during the last election?

When the U.S. omnibus trade bill was passed, the Liberal opposition cautioned the government that this new body of trade laws would have to be applied to the free trade agreement. They denied this was the case. Now we have seen the response. We have seen the Americans using this omnibus trade bill to circumvent any spirit of free trade. They should not have signed a deal without first outlining what a subsidy was. As a result of this neglect, we get this constant harassment by our friends to the south. The government has allowed the U.S. omnibus trade bill to be entrenched in the free trade agreement, instead of securing an exemption from its ramifications as a condition for signing the agreement. Make no mistake, a precedent was set here. A precedent has been set in the pork case. I fear that unless Canada takes a strong stand in opposing this countervail, this could adversely affect our other areas of trade, especially those areas of trade that are supply managed.

• (1730)

Time after time, this government has told us about the good will that will follow as a result of the free trade agreement. It is clear that Canada and its representatives, the Minister for International Trade and the part-time Minister of Agriculture, are simply pawns in the United States game to acquire full access to our markets.

Once again, it is the people of rural Canada, the farmers of our country, who are the losers in this. This action is just one more affront to our supply managed system. The U.S. is determined to see our marketing boards destroyed, and this government does not have the intestinal fortitude to fight back.

In my last minute I just want to summarize by saying that I believe this government, in its policies with regard to agriculture, are adversely affecting the lives and livelihoods of farmers in Canada, especially those farmers in Haldimand—Norfolk who are good farmers and good people. They do not deserve the policies of this present government.

Mr. Clark (Yellowhead): Mr. Speaker, I have a brief and specific question for the hon. member who has just spoken. Does the member approve of the treatment of Canadian agriculture by the Liberal government in the Tokyo Round of trade negotiations?

Mr. Speller: Mr. Speaker, we are concerned about the Uruguay Round. I will tell him that right now. We are worried about the future here, and the right hon. member should know that it is his government that has to stand up for the farmers in Canada or there will not be any farmers left in this country to farm.

It is a serious situation that we have in GATT. The government promised that supply management was not on the table. What do we have? Now it is saying: "Well, I guess supply management is on the table, but we will get the best deal we can". For Canadian dairy farmers that is not good enough. Canadian dairy farmers want this government to have the fortitude to stand up for supply management.

We are not like the Americans. We do not have their abundance of products. We are not like the Europeans. In fact, it is the Europeans who are now coming over to the Canadian system. This government wants to regress. It wants to go back to an American system.

I hope the right hon. member will go down to a dairy farm in New York State to see how those dairy farmers survive. It is not like our good dairy farmers up here in Canada. It has been that way because of the supply managed system put in by previous Liberal governments.

Mr. Clark (Yellowhead): Mr. Speaker, I am not surprised that the hon. member declined to answer that specific and direct question.

Mrs. Maheu: Mr. Speaker, I rise on a point of order. I question the second round of questioning by the right hon. member. Is this normal procedure for the House?

The Acting Speaker (Mr. Paproski): Yes, if there is nobody else rising, and it is a supplementary question. Therefore I will recognize the Right Hon. Secretary of State for External Affairs.

Mr. Clark (Yellowhead): Mr. Speaker, my point is very brief. I naturally want to let other members of the House have the opportunity to take part in this debate.

I asked the question about the Tokyo Round of negotiations very deliberately, because those who follow international trade negotiations will remember—

The Acting Speaker (Mr. Paproski): The hon. member for Saint-Laurent—Cartierville.

Mrs. Maheu: Mr. Speaker, I rise on a point of order. You mentioned that if there were no other members standing you would give a supplementary question to the hon. member. There were other members standing.

The Acting Speaker (Mr. Paproski): I did not see them, I am sorry. Is the right hon. member finished with his supplementary question?

Mr. Clark (Yellowhead): Mr. Speaker, I regret this challenge of your authority in the House.

I am not surprised that the hon. Liberal member would not answer the question about the Tokyo Round because his colleagues in the House who are familiar with agriculture, perhaps more familiar than he is, will know that the biggest sell-out of Canadian agriculture in international trade negotiations occurred under a Liberal government in the negotiation of the Tokyo Round because the representatives of agriculture, farm groups, provincial governments and others, were excluded from the process of negotiation, excluded from the process of consultation.

He talked about the Uruguay Round. I had the opportunity to lead the Canadian delegation to the Uruguay Round three years ago and brought with me representatives of Canadian agriculture and started at that time a process of involving directly in the negotiations representatives of producer groups and of farm organizations from across the country. That has continued to be the case.

The hon. member has an obligation to this House to recognize that while there is chaos in international markets, it is part of the obligation of Canada to try to bring an end to that chaos and try to establish a situation in which Canadian farmers who on the basis of their ability are the best in the world can compete successfully in international markets. My question is: Why does he run away from that responsibility?

Mr. Speller: Mr. Speaker, the right hon. minister surely must know that the free trade agreement was the biggest sell-out to Canadian farmers in history.

With regards to consultation, the right hon. member should ask the part-time Minister of Agriculture what consultation he had with the farmers. Surely the minister must know that the Canadian farmers with him were not in the negotiating room; they were SAGITs. They were set up for consultation with you, but they were not in the negotiating room. In fact the Minister of Agriculture—

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. The hon. Solicitor General has the floor.

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I don't know—

[*English*]

Mr. Walker: Mr. Speaker, I rise on a point of order. You have completely ignored the Opposition and everybody else around here while you let the minister speak twice. Then you turn around—

The Acting Speaker (Mr. Paproski): The hon. Solicitor General on debate.

[*Translation*]

Mr. Blais: Mr. Speaker, I don't know whether we should blame these Liberal scare tactics on Hallowe'en, but while we are on the subject of our ability to consult, which was mentioned by my colleague, the Secretary of State for External Affairs (Mr. Clark), I think we should recall that for sixteen years, a previous Liberal Government and more specifically its prime minister, never bothered to meet farm leaders, so we don't need your advice on how to consult!

Since 1984, the Prime Minister of Canada has met farm leaders nine or ten times. We established the consultation mechanisms you mentioned earlier, such as SAGIT, where farm producers were consulted at every stage of the Canadian Government's decisions concerning the future of agriculture. If there is one shortcoming we are certainly not guilty of, Mr. Speaker, it is failing to consult. In fact, during the last five years, farm producers have been consulted as they never have been before, and they have been involved in our negotiating process at the international and national level.

Mr. Speaker, at noon I met representatives of the dairy industry who were at a convention in Quebec attended by representatives of producers, processors and consumers, all in the dairy industry.

For the first time, Mr. Speaker, under this Government, we were able to bring together, around the same table, people interested in developing the dairy industry in Canada, not in working against each other but in working together, to ensure that the agro-food industry, especially in the dairy sectors will be as prosperous in the future as it has been during the past few years.

Mr. Speaker, we agree that as in other sectors, we are facing certain problems. It is clear that the decision handed down recently to the effect that yogurt and ice cream—this is a recent GATT decision—are not covered and protected by the import controls Canada had been using and still uses to protect its marketing boards, that the Canadian Government will continue to defend and protect the interests of farm producers before the GATT tribunal, next week.

• (1740)

It just goes to show that we must defend the integrity of Article 11 of GATT. This question, which may seem technical, is a very important one. For more than 40 years, ever since GATT and its regulations came into effect, member States, including Canada, and especially this area, have always used Article 11 to protect marketing boards. However, about two years ago when we were into the last lap, so to speak, of the GATT negotiations, we realized this was very important, considering the fact that Article 11 is the only article that protects our marketing boards and allows them to exist. It was our sincere conviction that we had to both strengthen and clarify this article. When we consider that a major part of our agriculture, worth several billion dollars, depends on the interpretation of an article that is subject to an international tribunal, it seemed to us, and we still feel, that it is important to clarify this article and ensure that it accurately represents what we want it to represent for Canadian farm producers. Mr. Speaker, we have said many times that this is what we are going to do at GATT, that is what we are doing, and that is what we will keep on doing.

Farm producers and the people I met at noon, including the president of Québec producers, are somewhat concerned, and they were very pleased with this meeting, Mr. Speaker, where they sat with us and the processors at the same table, to ensure that the GATT tribunal, which is more or less our last resort, will be able to protect our interests satisfactorily.

Another message which I think is very important, Mr. Speaker, and I believe Members on the other side of the House should pay attention to this, is that marketing boards must change with the times. It is very important to make the fabric of our Canadian agriculture more market sensitive. In the past few years, Mr. Speaker, we have seen a number of often radical changes in the eating habits of Canadians, and all sectors, including the meat sector, the grains sector and the dairy sector, one of the most important ones in Canada, must become more aware of the needs of Canadians. They must be market-sensitive both internationally and nationally.

Mr. Speaker, we must meet the challenge of free trade, which is of considerable benefit to Canadian agriculture. Our exports in many areas have increased since the beginning of this year. However, free trade is not a panacea. Obviously, all agricultural sectors must be prepared to meet the challenge of these new markets, whether they are inside our borders or across the globe. As far as globalization of markets is concerned, Mr. Speaker,—

[*English*]

Mr. Walker: Mr. Speaker, I rise on a point of order. Given the difficulty we had in raising questions and comments after the last speaker because of the minister's two interventions, are we going to have an opportunity before 5.45 p.m. to—

The Acting Speaker (Mr. Paproski): No, you will not. The hon. minister has the floor.

[*Translation*]

Mr. Blais: Mr. Speaker, I know that I have little time left. In closing, I believe that the message we must with the whole Canadian farming community is one of hope, a message that we have to work together to solve our problems.

Mr. Robichaud: To repair the damage you did!

Mr. Blais: I was very impressed this afternoon to see around the same table with me processors who take milk and transform it into products that are to be increasingly available—

Mr. Robichaud: Have you talked to Mr. McCain lately?

Mr. Blais: Yes, in that industry as in others, the individual you mention had threatened to go to the United States the day after the Free Trade Agreement was signed but he has since changed his mind.

[*English*]

The Acting Speaker (Mr. Paproski): I regret that the hon. minister's time has expired.

It being 5.45 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the Business of Supply pursuant to Standing Order 81(14).

Accordingly the question is on the motion of the Leader of the Official Opposition.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the motion, which was negatived on the following division:

(Division No. 119)

YEAS

Members

Allmand
Anawak
Assad
Bélair
Benjamin
Blondin
Brewin
Clancy
Copps
Dionne
Ferguson
Fisher
Foster
Funk
Gauthier
Guarnieri
Harvard
Hovdebo
Jordan
Karpoff
Laporte
MacAulay
Maheu
Marleau
Milliken
Mitchell
Nault
Nystrom
Pagtakhan
Peterson
Pickard
Riis
Simmons
Speller
Stupich
Vanclief
Whittaker
Althouse
Arseneault
Axworthy (Winnipeg South Centre)
Bellemare
Bevilacqua
Boudria
Catterall
Comuzzi
Crawford
Duhamel
Finestone
Fontana
Fulton
Gardiner
Gray (Windsor West)
Harb
Hopkins
Hunter
Kaplan
Keyes
Lee
MacDonald (Dartmouth)
Marchi
McCurdy
Mills
Murphy
Nunziata
Ouellet
Parent
Phinney
Proud
Robichaud
Skelly (Comox—Alberni)
Stewart
Tobin
Walker
Young (Beaches—Woodbine)—74

NAYS

Members

Anderson
Atkinson
Belsher
Bertrand
Blais
Bosley
Bouchard (Lac-Saint-Jean)
Boyer
Cadieux
Cardiff
Chadwick
Chartrand
Clark (Brandon—Souris)
Collins
Cooper
Couture
Crosby (Halifax West)
de Cotret
Desjardins
Dobbie
Dorin
Edwards
Fee
Fontaine
Gérin
Greene
Gustafson
Hawkes
Horner
Jacques
Jelinek
Jourdenais
Kilgour (Edmonton Southeast)
Langlois
Layton
Lewis
Loiselle
MacKay
Martin (Lincoln)
Mayer
McDougall (St. Paul's)
Merrithew
Moore
Nowlan
O'Kurley
Porter
Redway
Andre
Attewell
Bernier
Bjornson
Blenkarn
Bouchard (Roberval)
Bourgault
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Clark (Yellowhead)
Cole
Cook
Côté
Crosbie (St. John's West)
DeBlois
Della Noce
Dick
Domm
Duplessis
Epp
Ferland
Friesen
Gibeau
Guilbault
Halliday
Holtmann
Horning
James
Johnson
Kempling
Koury
Larrivée
Leblanc (Longueuil)
Littlechild
Lopez
Marin
Masse
McCreath
McKnight
Monteith
Nicholson
Oberle
Plourde
Pronovost
Reid

Richardson	Robitaille
St-Julien	Schneider
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Têtreault
Thacker	Thorkelson
Tremblay (Rosemont)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Van de Walle
Vankoughnet	Vézina
Vien	Vincent
Weiner	White
Wilson (Swift Current—Maple Creek—Assiniboia)	
Winegard	Worthy—119

• (1810)

[*Translation*]

The Acting Speaker (Mr. Paproski): I declare the motion lost.

[*English*]

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I rise on a point of order. I was late getting in. I had a flight problem. Had I been here I would have voted with my party.

The Acting Speaker (Mr. Paproski): It being 6.15 p.m. this House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 24(1).

The House adjourned at 6.16 p.m.

HOUSE OF COMMONS

Tuesday, October 31, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

PROPOSED GOODS AND SERVICES TAX

Mr. Jim Fulton (Skeena): Mr. Speaker, I have the honour to present to the House this morning a number of petitions that have been certified correct pursuant to Standing Order 36. The petitioners are from throughout northwestern British Columbia, from Terrace, Prince Rupert, Kitimat, the Hazeltons and other communities who are expressing concerns about the proposed goods and services tax. They believe that this tax should not proceed and that the government should cease with the proposal which would shift the tax burden on to ordinary Canadians through a regressive consumption tax instead of through real tax reforms.

POST-SECONDARY EDUCATION

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, it is also my pleasure to present a petition to this House signed by over 1,000 Canadians, most of whom are students at the Mount Allison University in Sackville, New Brunswick. They call upon their elected representatives to stop the erosion of quality and accessibility in our universities, colleges and other post-secondary educational institutions in Canada.

The petitioners are quite concerned that Bill C-33, introduced in the House on June 27, will reduce federal transfer payments for post-secondary education by approximately $900 million over five years and they respectfully call upon the government to withdraw Bill C-33.

VIA RAIL

Mr. Rod Murphy (Churchill): Mr. Speaker, I have a petition, signed by a number of people, with regard to the VIA Rail issue. In this petition these people, many of whom are Canadians, avail themselves of their ancient and undoubted right to present a petition in front of the House of Commons. They believe that the railway passenger service as carried on by VIA Rail is an essential means of transportation for many Canadians and has been part of the basic Canadian infrastructure for over 100 years. They believe that the government's announcement of a $400 million cutback over five years will hurt the industry and they believe it is very important for tourism.

• (1110)

I would like to explain that this petition has been signed by Canadians from Wabowden, Churchill, Gillam, Lundar, Winnipeg, Thompson, Rankin Inlet, Flin Flon, Rexdale, Ontario, and also by non-Canadians from Sweden, Greece, Germany and England.

PROPOSED GOODS AND SERVICES TAX

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, it is my pleasure and privilege to submit a petition to this House pursuant to Standing Order 36. The attached petition is certified as correct in format and content and is from many Canadians of Eglinton—Lawrence and the greater metropolitan area. All of them pray that this House put aside the GST proposals because they see in the GST proposals a tax that will encourage a greater number of cash transactions and lead to greater scoffing of the law and will begin to classify many Canadians in those categories of those who will start to evade as well as avoid paying tax.

VIA RAIL

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have the honour and the privilege today to present a petition, properly signed by the residents of Thunder Bay, who plead with this government to reconsider their orders to cancel VIA Rail passenger rail service through the city of Thunder Bay.

We have had passenger rail service in Thunder Bay for the last 105 years. As of January 15, unless this government changes its mind, we will no longer have passenger rail service.

PROPOSED GOODS AND SERVICES TAX

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I would like to present another petition on behalf of the citizens of Egmont who plead with this government to review what it is proposing to do with respect to the goods and services tax that is presently before this House.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the duty to table a petition in the name of several Canadians who join with thousands of others to tell this House that they humbly pray and call upon Parliament to reject the proposed goods and services tax. These people were seen on the Hill yesterday protesting this unfair and inflationary measure proposed by the Tories and would like to make the point that indeed the government should understand that it has an imperative to withdraw this very regressive tax.

RIDEAU RIVER

Mr. John Manley (Ottawa South): Mr. Speaker, I have this morning in my possession over 1,500 signatures from residents of Ottawa South, certified correct pursuant to Standing Order 36, asking for the federal government to co-operate with provincial and local governments to once and for all begin the process of cleaning up the Rideau River, an historic waterway that flows through the National Capital.

LOW LEVEL FLIGHTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I have a petition duly signed by a number of residents of Toronto and Mississauga who are concerned for the aboriginal peoples of Canada, especially those in Labrador and Quebec. They ask this Parliament to join with the Assembly of First Nations and the Innu of Labrador and other aboriginal peoples of northern Canada in opposing use of their lands for NATO-NORAD attack training, specifically the low level flight training in Canada, and opposing the establishment of a NATO operations base in Canada at Goose Bay. They request the funding that Canada gives to NATO and NORAD be redirected toward enabling the aboriginal peoples to regain control of their land and livelihood and toward promoting sustainable development for all Canadians.

VIA RAIL

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I have also a petition from a number of people of Toronto who are concerned for the large number of people who depend on VIA Rail transportation. They ask this Parliament to reject any proposed reduction or elimination of VIA Rail service, to see to the modernizing of the equipment so that VIA Rail can provide world-class service and to build a high speed passenger train between Montreal and Windsor.

PROPOSED GOODS AND SERVICES TAX

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I have the pleasure of presenting two petitions in accordance with Standing Order 36, petitions from Prince Edward Island in such places as Mill River and Port Hill, but the predominance of them are from Summerside, P.E.I. The petitioners suggest that this proposal in addition to other things that have happened to them will have a devastating effect on their economy. It is a pleasure to present this petition.

VIA RAIL

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I too am pleased to present a petition this morning, pursuant to Standing Order 36 and certified correct by the Clerk of Petitions, that points out a whole set of reasons why the petitioners oppose the government's decision to curtail passenger rail service. The petitioners point out particularly their concern that this is a very environmentally unfriendly decision which the government has taken and are asking the government to not only reverse the decision but to actually invest in a modernized VIA Rail system to provide a rapid, economical, safe and environmentally sound means of transportation.

PROPOSED GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on another matter,I have another petition signed by a number of western Canadians who are very concerned about the government's decision to tax reading materials, baby diapers, home heating fuels and almost everything else. They are asking the government to cease and desist from proceeding with this goods and services tax.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, it is an honour to rise in this House today, pursuant to Standing Order 36, to present three petitions on behalf of the residents of Lambton—Middlesex.

Wherefore the undersigned, your petitioners humbly pray and call upon Parliament to reject the proposed goods and services tax. There are eight petitions here and it has been an honour to table them.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a couple of petitions to table today. The first is signed by 138 customers of the B & B variety store on the corner of Brock and Brown Streets in Westfort, Thunder Bay. It is addressed to Parliament and is duly certified as appropriate. The undersigned call upon Parliament to reject the current proposal for a goods and services tax, and to reform the taxation system so there is an effective minimum tax on wealthy individuals and corporations.

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the second petition, signed by residents of British Columbia, is one of hundreds of petitions that have been tabled in this House by this party, calling upon the Government of Canada to scrap its plans to decimate VIA Rail and to move forward to not only maintain the existing VIA network but to upgrade VIA's equipment and guarantee VIA sufficient support to carry out its mandate to provide passenger service.

I also have a petition bearing 10,500 signatures from people from one end of the country to the other protesting the VIA Rail cuts. I will be forwarding that to the Prime Minister.

PROPOSED GOODS AND SERVICES TAX

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, the revolt against that unholy tax continues. What you saw on the Hill yesterday is but a small aspect of what is happening across this country. Here is the latest manifestation of it. More than 1,000 signatures from Burin—St. George's, Isle au Morts, Port au Basques, Grand Bank, Grand Bruit, Burin, Mortiere, and many other communities, people who want to register their protest against this terrible tax.

The undersigned, your petitioners, humbly pray and call upon Parliament to reject the proposed goods and services tax. There will be more.

Mr. Joe McGuire (Egmont): Mr. Speaker, pursuant to Standing Order 36, I want to present four petitions on behalf of the people of Egmont, who want the government to scrap the goods and services tax.

The petitioners believe the new tax to be an unfair tax grab and they request the government to set aside this new tax policy.

VIA RAIL

Mr. Joe McGuire (Egmont): While I am on my feet, Mr. Speaker, I would also like to present a petition pursuant to Standing Order 36 on behalf of the people of Thunder Bay, Ontario, who are asking this government to keep the VIA Rail service now operating in Canada and to improve upon it.

PROPOSED GOODS AND SERVICES TAX

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, today I have the honour and privilege to present a petition signed by the residents of Hamilton Mountain. The petitioners have spoken out overwhelmingly against the Conservative government's proposed 9 per cent goods and services tax. The petitioners feel that the tax is unfair.

The petitioners humbly pray and call upon this House to reject the Conservative government's 9 per cent goods and services tax.

VIA RAIL

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I have the honour and privilege today to stand and present two petitions, one from Canadians all the way from British Columbia to Ontario, calling upon the Parliament of Canada to maintain VIA as Canada's national railway.

PROPOSED GOODS AND SERVICES TAX

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, in the second petition, the petitioners humbly pray and call upon Parliament to reject the goods and services tax, mostly on the basis that it is an unfair tax because of its lack of regard for people's ability to pay.

• (1120)

VIA RAIL

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, it is my pleasure and my privilege to rise again on a petition on behalf of the residents of Thunder Bay, who

humbly pray and beseech this Parliament and this government to reconsider its decisions regarding cuts to VIA Rail passenger service, especially as it pertains to the citizens of Thunder Bay, who feel themselves very much a part of this province and this country, and who will, as a result of the cuts, feel themselves further isolated.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I would ask that all questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall the questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

POINT OF ORDER

COPYRIGHT LEGISLATION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a question for the Parliamentary Secretary to the Government House Leader. This is in no way intended to be an awkward question, I want him to understand that. He would be aware that there are a number of people visiting Parliament today who are concerned about phase two of the Copyright Act legislation that is being proposed and processed.

I wonder if the parliamentary secretary could simply give the House some indication of the status of that legislation and when we might expect it to begin the process through the House of Commons.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I am pleased to give some observations to the hon. member. I am looking forward to receiving my own delegation in this regard this afternoon.

I am told that work is proceeding on target on phase two of the copyright legislation and that we should have a bill in the House in the early part of the new year. I am given to understand that there are issues other than the issues in which the ACTRA people are interested. It is indeed those issues which have caused some of the delays. There is no intention on the part of the government to not discharge its commitment to artists in Canada.

Mr. Riis: Mr. Speaker, I say to the parliamentary secretary that we appreciate that indication. I think all we needed was some indication of the relative status of the bill and the fact that the first of the new year is being aimed at as the time for introduction, which I think is satisfactory.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S.O. 81—THE ENVIRONMENT

Mr. Jim Fulton (Skeena) moves:

That this House calls upon the Government to implement an ecologically sound "green" tax system.

He said: Mr. Speaker, I am pleased to have today as a votable day with the motion before the House, calling upon the government to implement an ecologically sound green tax system.

Many members of the House, and certainly many Canadians, will wonder just exactly what that is. The green tax system, the GTS, as we call it, we believe is the way of the future. It proposes to make a new system out of the best of our options either technologically or in terms of the workforce in terms of the natural resources that our country has. The GST, on the other hand, the goods and services tax as proposed by the Minister of Finance, is an admission of failure. It proposes to make a failing system more expensive.

The government says that it endorses the concept of sustainable development, the government says that it wants to integrate economic concerns in all aspects of its policy making, and the government says that it cares about the environment. The government says that it endorses the Brundtland report, the World Commission on the Environment and Development, yet one of the most important doctrines in this report is that economic and environmental processes are inseparable.

It is with amazement and disbelief that we watch this government go backwards in time as it proposes a Draconian tax measure that only serves to compound and amplify our current environmental crisis. The GST is regressive. It taxes recycled paper at the same rate as unrecycled paper, bicycles at the same rate as cars, canoes at the same rates as motor boats, alternative energy at the same rate as fossil fuels.

The GST is not just environmentally neutral, it is environmentally damaging. Environmentally sound products often cost more than products that are sustainable. The GST only widens this gap, making it more difficult for consumers to choose greener products. As we have learned in a number of recent polls that have been done by Angus Reid and by others across this country, Canadians are prepared to pay more taxes for certain objectives. The number one objective of Canadians from coast to coast is to have a cleaner, safer, sustainable environment.

The conservative approach of the Minister of Finance, as he admits himself, is to regressively tax workers, the middle class, the poor and small business, to tax transactions, to replace the manufacturers' sales tax with the 9 per cent GST. Many Canadians are wondering why 9 per cent. That is obviously a targeted amount which the Minister of Finance wants to raise for other purposes. The reason the minister has chosen 9 per cent to flog is so that he can bring the rate down to a lower one, then ratchet it back up again and look as though he has done some kind of honourable deed in lowering the tax from nine to eight to seven to six or to five only to ratchet it back up again as was done with the manufacturers' sales tax which went from 9 to 10 to 11 to 12 and continues progressively upwards.

The Conservative and Liberal approach to taxation is identical. If one looks at the last three decades of ministers of finance from both the Liberal and Conservative Parties, we now see the results. Corporations three decades ago paid 50 per cent of the taxes in this country and working families paid 50 per cent. Now corporations pay only 20 per cent and working families pay 80 per cent of the taxes in Canada. Most wealthy Canadians pay little or no tax and thousands of profitable corporations pay little or no tax as well.

We have to ask some fundamental questions such as where does such a tax system lead. The evidence is now overwhelming in Canada. We are among the most polluting and wasteful countries in the world. We learned just this morning in the environment committee from witnesses from Environment Canada that each Canadian produces more than four tonnes of carbon dioxide as a result of our activities in driving cars, through industry and through the various forms of carbon dioxide production which are adding to global warming through the production of greenhouse gases.

We are passing on huge fiscal and environmental debts to future generations. One does not need to look far in our environment to find the kinds of huge costs, whether it is the hundreds of billions in national debt to the kinds of debts that are being passed on through poor fishery and forestry practices, the erosion of farmland and the many other problems we have with toxic and hazardous waste dump sites across the country.

The simple fact is that we cannot produce laws, regulations inspectors or courts fast enough to halt, prosecute and clean up the colossal messes that are about us. The list is long. There is acid rain. There is toxic rain. There is Great Lakes pollution. There are holes in the ozone layer. There are greenhouse gases and global warming, toxic and hazardous waste dumps, PCBs, pesticides, nuclear waste, enough low-level radioactive waste and tailing ponds and impoundments to cover the highway from Halifax to Vancouver six feet deep.

The list is long and growing. How often do we now hear of endangered species and endangered spaces in Canada? We need a tax system that is fundamentally simple, ecologically sound and designed to encourage sustainable development. This tax approach will create jobs, reduce resource waste, clean up the environment and pass on to future generations as good a planet as we inherited, the fundamental premise on which the Brundtland recommendations were made through the United Nations to the world.

How does a green tax system work? It is best, in my view, to deal with examples so that the public has as clear an idea as possible about what a green tax system is all about.

One could ask a question in relation to recycled paper. The question would be, what is the maximum amount of virgin paper that can be reasonably recovered and delivered for recycling. One could take any city, any urban area and in fact many rural areas of the country and ask how many packages, newspapers, and paper are out there and in terms of the costs of gathering and transporting that to a centralized depot near enough to a facility that can de-ink and recycle that paper. As we have learned in some cities on this continent including

some cities right here in Canada, a very substantial amount can be recovered for that form of recycling.

• (1130)

Then you ask what is the maximum amount of recycled fibre that can be reasonably placed in various kinds of products. We know, for example, that the Minister of Public Works, whom I am glad to see here today, produced a Householder made out of recycled paper that had roughly 50 per cent recycled fibre in it. It is good quality paper, it provides legible type, it can carry the reproduction of graphs and photographs, and so on. In some products you in fact can go considerably above the 50 per cent recycled fibre capacity for paper and still have good reproduction quality.

Then you ask what are the environmental costs of landfills and so on. For paper packaging and paper waste and so on it is now approaching one-half the contents of the dumps. In Ontario alone landfills are now consuming one and a half acres a day. One has to ask what are the costs of, rather than recycling that kind of material, putting it into dumps that produce methane and other serious problems for the environment.

Take these and other factors such as the real cost of harvesting forests which must now include the loss of fish, bird and wildlife habitat, soil erosion and the forest's role. One of the fundamentally most important matters that the Standing Committee on the Environment is now looking into is the capacity of various species of trees and plants to act as a carbon sink to take that carbon dioxide out of the atmosphere and hold it so that we do not face the horrendous consequences of global warming.

Then you plug in the green tax system which is really a very simple tax system, Mr. Speaker, as you would know. The Minister of Finance, just to deal with his day-to-day business, has dozens of feet of tax law. There are constantly new rulings. Parliament is constantly passing new laws in relation to the old tax system that we have adopted and has proven to be very negative in terms of our environment and our social development.

You plug the green tax system in at one or more levels to obtain the desired result. This is just in relation to the recycling of paper. You determine the maximum fibre use and the minimum environmental damage and then you regulate the green tax based on your desired result.

There are amazing side benefits. The energy saving in recycled paper alone is up to 40 per cent and there is reduced marine pollution from pulp mills. We know that 40 per cent of the marine pollution of both fresh water and salt water in Canada, comes from pulp mills. You get improved air quality and improved water quality by having fewer dioxins, furons and organochlorines placed into the environment.

The staggering fact is that recycled paper is already cost competitive but because of present structures in Canadian society, including tax, marketing and industrial, it is not fully available and in fact is not available at all to many institutions such as Parliament itself.

Green taxes are not new. We have had them to encourage recycling here in Canada on glass milk bottles, for example, going back one-third of a century through the form of deposits on bottles so that people would not throw them away but would in fact send them back to the milk company to be refilled. Aluminum, steel, old batteries, beer bottles, pop bottles and many other items have been collected for the purpose of recycling.

For waste reduction the idea is catching on, from simple things such as a toilet dam which costs about $2. A toilet dam goes in the back edges of the toilet tank and reduces the amount of water that is required per flush. It might sound like a foolish thing to be raising in the opening speech on a debate on a green tax system, but simple, available Canadian-made technologies would save Canadian consumers $250 million a year on water bills. The way that you implement those kinds of measures is through a green tax system.

On packaging, many products have three or more forms of packaging. There is plastic covering on whatever you are getting, then there is another kind of styrofoam or fill, then there is a cardboard box and in many cases there are additional forms of packaging.

The green tax system would tax the waste packaging based on real energy costs and real landfill costs and designers will soon help Canadian society in phasing out the waste through the implementation of green taxes on those forms of waste.

Let us take a look at acid rain, an area where green taxes would be far more efficient and far more effective than the kinds of reduction programs that have been implemented here or are proposed to be implemented, for example, in the United States. Parliament and government can design targets in terms of tonnage and timetables in terms of the time frame for the reductions and set caps or limits so that there is not future growth of acid generation of the atmosphere.

You base those on what the environment can safely handle and you tax directly through a green tax system every gram of SO2 or NO2 or SOX and NOX as they are more commonly known, based on known impacts. We know that a most conservative estimate that we deal with here in Canada is that the negative impact of acid precipitation on our environment is $1 billion per year made up of several hundred million dollars in lost forest growth, the killing off of more than 15,000 lakes, the impact on human health and so on.

If one wanted to look at the calculations that have been recently done in the United States on a per annum cost to the environment, it is $7 billion per year in building and monument destruction, $16 billion per year in lung damage according to the American Lung Association, $40 billion per year in damage resulting in medical costs and lost time to workers due air pollution and $5 billion a year in loss of lakes and forest productivity in the United States.

As we learned on a visit last week to Washington, D.C. to encourage our colleagues south of the border to do something serious about acid precipitation, a 50 per cent reduction of acid precipitation production in the United States will cost only $15 billion, less than one quarter of the cost in one year of airborne pollution and acid precipitation on the U.S. public.

This green tax system will fire up the research and development arms across Canada and bring about the production of energy efficient products, energy conservation and new clean sustainable technologies. We already know that we can save 52 per cent of the energy now consumed in Canada through conservation, releasing this energy for commercial, residential and other purposes.

What about a carbon tax, something that has rarely if ever been seriously debated on the floor of this Chamber. We already know that carbon dioxide, methane, CFCs and other greenhouse gases pose a relentless threat to the survival of planet earth. Entire countries will disappear beneath the oceans if we wait.

There are already alternatives. Mercedes Benz, for example, has produced a commercial test vehicle powered by hydrogen. One of my constituents in Prince Rupert makes his own hydrogen in his back yard out of simple wind technology through direct current, simply cracking the hydrogen from the water. He recompresses it with scuba equipment and puts it into retired aircraft oxygen cylinders. He has produced his own carburation system and has simply converted existing available North American and Japanese produced vehicles directly to hydrogen and, in fact, can operate them with the same carburation system on either gasoline or hydrogen should he want to take a long trip.

Present vehicles and future vehicles can be economically converted. A green tax on carbon is the carburetor for conversion costs because, as we know if one looks even at the more recent fossil fuel projects that are being proposed, whether it is Oslo, Lloydminster or Hibernia, those projects, at least according to their proponents, will only proceed if the Canadian taxpayers provide billions of dollars in direct welfare to those projects so that they can proceed.

It makes much more sense in the energy sector to have a green tax system in place providing for conversion to available technologies and alternatives that are more environmentally benign or, in fact, to options such as hydrogen which do not produce greenhouse gases.

The fossil fuel industry has become a leading danger to planetary survival.

Global warming is real and there is no known means to dramatically reduce CO2 from fossil fuel use. We must go to alternatives.

This government has promised to reduce carbon dioxide output by 20 per cent by the year 2005 and yet has not taken any steps to substantially reduce it since the announcement was made 18 months ago. The rate is too slow and a carbon tax can make a much larger transition possible by the year 2000.

• (1140)

There are holes in the ozone. According to the most recent reports from Scott Base in Antarctica and from our own measurements, they are growing very fast. CFCs, or fluorocarbons as they are called, is the basic element in the cooling systems of automobiles, air conditioners in homes and businesses, refrigerators and freezers. It is frequently if not always released when the air conditioner, freezer and refrigeration units are taken to dumps. The CFCs are continuing to release unhin-

dered into the atmosphere. CFCs are still being sold in the Canadian market at basically the same price as they were before the Government of Canada announced the intention to phase out 85 per cent by the year 2000.

This is exactly the kind of area where there should be a green tax levy. A green tax levy would apply not only to new CFCs that are being produced but to those that are already in systems, encouraging municipalities, producers, and facilities that are involved in the re-gasing, whether it is of rail cars or of refrigeration units or whatever, to move much more quickly to new and available compounds, but also to safely remove and destroy those CFCs that pose one of the most severe environmental threats that we face.

A green tax will do all this by making the product as expensive as necessary for its complete and urgent removal and replacement. In all of these cases, part of the green tax can be diverted as direct funding for R and D, replacement products, retooling and refitting, or for a reverse green tax credit for environmentally friendly or benign products.

We are on the brink of disaster or to a new and exciting frontier of ecological sustainability. A GTS, a green tax system, can provide many acceptable economic and environmental impacts. It can encourage transitions from non-renewable to renewable energy. It can discourage waste in terms of packaging, reusable products and resources. It will promote recycling of paper, metals and containers. It will encourage new technologies, conservation, solar and energy efficiency. It will create new jobs. While it would require three, four or five jobs per unit, rather than one or two, in the forest sector, only a green tax can seriously address those kinds of broad resource and economic questions.

Forty thousand children will die today around the world from diseases, starvation and poor quality water. Several species will become extinct while we have this debate today. The tax system as we know it in Canada is inequitable, regressive and designed to keep afloat economic systems that are drifting us toward unparalleled disaster. A green tax system that is designed to halt the flow of persistent, toxic and bioaccumulative wastes into our environment, that is designed to minimize energy use and resource waste, that is designed for full employment, sustainable development, proactive as well as reactive health care, sustainable agriculture, fisheries and conservation areas, preservation of existing species and recovery of our much harmed environment is the politics of Canada's future and the fate of the earth.

We must have a green tax system, not a GST or any other proposal presently being promoted by the present government and Minister of Finance.

Mr. Riis: Mr. Speaker, I listened with interest to the presentation by the hon. member for Skeena. I must say that I was moved by his futuristic concepts and the fact that he has presented before us some very creative, thought-provoking ideas in terms of our tax system.

I suppose we could raise all sorts of points, but I would like to ask my hon. colleague from Skeena a question. He is aware of organizations that have put together ethical mutual funds, funds that are raised by those people who want to invest in economic activities that have ethical implications of a very positive nature.

Does my hon. colleague foresee tax incentives that might be provided for those people who would invest in ecologically positive enterprises? Does he foresee the possibility of a youth ecological corps in which young people could be mobilized to play their role in combating environmental deterioration? Does he foresee something of the nature of an ecological mutual fund where tax incentives could be provided for those investors who would put capital aside to mobilize and fight pollution?

Mr. Fulton: Mr. Speaker, I thank my colleague for the question. First, on the concept of ethical mutual funds, there is no doubt that they are catching the interest of a lot of Canadians who have either a small or a large amount of money that they want to invest. The ethical mutual funds look at not only the impact of a particular industry or a particular proposal on the environment, but at what kinds of plant facilities there are, what kind of collective agreements there are for the workforce and so on. They are gaining wide support from a broadening section of Canadian society.

In terms of the member's question in relation to tax incentives for those who are participating, that would not be the best approach. The best approach in fact is to apply the green tax system in relation to the resource sectors and in relation to industries themselves because the principle that is involved in ecologically sound taxation policies is to make sure that certain principles are adhered to; minimizing the amount of energy used, minimizing the amount of waste that is produced from any particular product, applying certain sound internationally respected principles such as using closed circuit technologies to make sure that persistent, toxic and bioaccumulative materials do not continue to go on to the land, into the marine environment or into the atmosphere.

The principal intention of a green tax system is and should be implemented by the Government of Canada in order to reduce waste and to move our technologies to the cutting edge. I think many of the stocks, shares and so on that would be found within an ethically sound mutual fund would be of those technologies, industries and social developments that are on the cutting edge and have been encouraged to do so by a green tax system.

The reason we do not have more accessibility and availability of renewable energy sources in this country is that it is not encouraged by the present tax system. The government has not only closed down access to public information in relation to the renewable sector, but in fact funding for R and D and so on has also been cut off. That is direct discouragement. On the other hand there is direct encouragement, through the funding of billions of dollars from Canadian taxpayers, to the nuclear and fossil fuel sectors which are now being demonstrated to be the least beneficial option either in terms of cost or energy efficiency.

The member's point on a green crop, I suppose you might call it, is one that I think Canada must look at with a much greater vigour because there are things in every single province and in both territories that require the serious address of not only young people, but society as a whole. It is often best to involve young people, either at the high school age or in the years immediately following high school, whether in terms of replanting stream banks to improve fisheries habitat or simply planting different species of trees.

There should be scientific people along who talk not only about the commercial nature of the various species that are being planted, but the benefits to fish, birds and to wildlife and also the growing threat to the planet in terms of global warming and the greenhouse effect. The process of simply replanting trees is helping to get a larger carbon sink growing that takes more of that out of the atmosphere.

• (1150)

In terms of ecological mutual funds, I think there is a direct relation to a green tax system in that a green tax system is ethically appropriate.

I think one of the most repugnant self-admissions by our present Minister of Finance is that he has admitted that the GST, whether it is 5 per cent or 9 per cent, is a regressive form of taxation. Why, at this point, would we be making some of the more ecologically expensive and devastating industries in terms of the long term for future generations more expensive and less likely to be able to redesign, retool and refit to make themselves, at the very least, ecologically and environmentally benign?

I think there is a great parallel between ethical mutual funds and the ethics that one finds in the kind of taxation I am talking about in terms of a green tax system.

Mr. Friesen Mr. Speaker, first of all, I think we should correct the record. I do not think the Minister of Finance has ever said that the GST is regressive.

Mr. Riis: Yes he has.

Mr. Fulton: He admitted it in here.

Mr. Riis: He said it in the House.

Mr. Friesen: I think he has misquoted the Minister of Finance.

I think the member's point is well taken in some areas. I think all of us are dismayed at the amount of styrofoam, for example, that McDonald's uses and the abuse of paper products by that corporation. Dr. David Suzuki has certainly made that point very well. He has also made the point that McDonald's gets much of its beef from Brazil to feed our hunger for red meat. He has labelled McDonald's as one of the great contributors to environmental problems.

In some ways you cannot argue with that. But at the same time McDonald's also is using its forum to have people send in coupons to oppose the GST. Now here you have an organization that is a polluter also opposing

the GST. Since that is contradictory, would the member suggest that we should ignore all those coupons coming from McDonald's opposing the GST?

Mr. Fulton: Mr. Speaker, first on the member's attempt to correct the record, the Minister of Finance has stated, not only here but outside of this Chamber, that the GST is a regressive tax. It is obvious that it is a regressive tax. Any economist anywhere in the country would point out that it is a regressive tax.

On the matter of McDonald's, I do not think there would be any better or more efficient way of getting McDonald's to clean up its act than applying a green tax system to it. You would simply continue to push on the accelerator in terms of a green tax in relation to the amount of packaging they use until they go to recyclable, reusable or at least reduced packaging systems.

As the member quite properly points out, the problems that are being faced globally now as a result of the burning of the rain forests in Brazil to provide very short-term pasturage for beef in Brazil is creating a colossal problem for one of the largest parts of our global lungs.

In terms of McDonald's sending in coupons and opposing the GST, I think they are responding quite properly on behalf of their consumers. It is a bad tax and it should go.

Mr. Speaker: Questions and comments are now terminated. I would like to listen to the hon. members all afternoon, but there are other members who want to speak.

[*Translation*]

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I welcome this opportunity to speak to the motion before the House today.

[*English*]

This motion relates to a new and insidious reality that has dramatically confronted not only Canadians but all citizens of our planet in recent times, namely that our environment is being threatened by the scourge of pollution and other ecological ills.

[*Translation*]

The problem is a global problem and requires global solutions. However, I think we can take some comfort from the fact that more and more countries are realizing they will have to take steps to protect the environment.

[*English*]

Let us be clear; safeguarding the environment is one of this government's highest priorities. We are committed to positive steps that will halt the abuse of the environment and preserve this most precious natural heritage.

I do not take issue with the broad concern for the environment that is implicit in the motion. But the proposal outlined in the motion—specifically that the government implement an ecological sound green tax system—puts the cart before the horse in my view. It fails to recognize that one can only build from a sound base.

A tax system can be used to pursue good, desirable and important objectives, but only if it first meets the fundamental objectives of a tax system, namely, to provide a stable, reliable source of public revenue. This is necessary to provide Canadians with the services they need and to support an efficient and competitive economy. It is to provide Canada with just such a tax system that the government has undertaken its proposal for tax reform.

A sound, basic tax system is a key requirement for Canada's continued economic prosperity. Our objective as a government has been to ensure that Canada has a tax system that is as fair and as efficient as possible.

We have been working to achieve exactly that. In stage one of tax reform we restored fairness and efficiency to the personal and corporate tax systems. We lowered tax rates and broadened the tax base, eliminating many of the special tax breaks that distorted investment and hindered the development of an efficient, competitive economy.

Our tax reform package ensures that investment decisions are based on economic merit rather than tax considerations. It assures that corporations and higher income Canadians pay their fair share of taxes. It ensures more equitable treatment of individuals in similar economic circumstances. It ensures that Canadians in lower income brackets have a smaller tax burden in proportion to their income than higher income Canadians.

In stage two of the tax reform we are proposing to replace the existing, outdated federal sales tax with the goods and services tax.

[*Translation*]

The GST will achieve three major objectives: First, it will help the general effort to reduce the deficit and ensure that we can continue to afford the programs and services valued by Canadians. Second, it will help ensure that Canada is able to compete effectively on world markets. Finally, it will improve the basic fairness of our tax system. In fact, low and middle income Canadians will be protected when the GST is implemented.

[*English*]

Building a sound tax system is part of our overall strategy for ensuring a stronger, more competitive economy. During the last five years we have made considerable progress in implementing that strategy.

[*Translation*]

One of the main objectives of this plan is to deal with the need to cut back public spending, reduce our annual deficit and control the growth of the public debt. Mr. Speaker, we have made considerable progress towards achieving that objective. We have reduced spending on government operations as well as the rate of growth of program spending. Last year, we spent $1.7 billion less on government operations than in 1984–85, a drop of 10 per cent. As a result of the measures taken by the government, we were able to reduce program spending as a percentage of our gross domestic product from 19.5 per cent in 1984–85 to 16.5 per cent last year.

• (1200)

We have also cut the government's deficit by more than $9.5 billion compared to what it was in 1984, and we have reduced the growth of the public debt. During the past fiscal year, for the first time in 15 years the increase in the debt was below 10 per cent, compared to a peak of 24 per cent in 1984.

In addition to controlling costs, major steps have been taken to ensure that Canadians are competitive. These measures include deregulation of the energy and transportation sectors, improved training programs, a new competition policy and, of course, the Canada–U.S. Free Trade Agreement.

These changes have helped to provide for a healthy and confident public sector. About 209,000 jobs have been created in Canada since January 1 this year, when the Free Trade Agreement came into force. These jobs are part of the 1.5 million new jobs created in Canada during the past five years.

[*English*]

In working to build a healthy economy this government recognizes that it is increasingly important to ensure that economic growth is compatible with the protection of our environment. The government is firmly committed to the principle that a healthy environment and a healthy economy go hand in hand. It is impossible to have one without the other.

We are giving concrete expression to this commitment by our support for the concept of sustainable development, in the policies we are pursuing here at home, as well as in initiatives we are undertaking internationally.

[*Translation*]

The public demands that we strike a new balance between the way we do business and the way we manage our environment. For governments, this means making environmental concerns a priority in economic policy development. Industry must make better use of natural resources. Our natural resources are a basic raw material for the production process and are vital to our growth and economic well-being. Our natural resources are also directly affected by production processes and the resulting waste. Finally, the general public must change its demand for consumer goods, its methods of waste disposal and indeed its way of life.

We have already seen the beginnings of a commitment to this: industries are developing codes of good environmental practice, consumers are taking part in waste recycling programs and choosing environmentally friendly products, governments are setting stricter standards to protect the environment and international agencies are developing protocols to protect the planet.

To protect our natural resources from environmental deterioration and misuse, we must ensure that consumers and producers bear the real costs of their decisions—not only the direct costs, but also all the social costs. Market forces can be channeled by creating economic incentives and deterrents that will encourage consumers, businesses and also governments to make decisions every

day for more a cost-effective resource allocation and better environmental protection.

Incentives based on market forces provide real benefits for the environment and the economy, they promote more enlightened use of natural resources, they encourage businesses to be creative in finding economic solutions and they complement the policy framework already in place.

[*English*]

Like most countries, historically Canada has relied mainly on regulatory approaches to protecting the environment. We continue to believe that strong regulations are necessary to deal with the variety of threats to the environment such as dangerous chemicals. Nevertheless, in other areas there is significant potential to mobilize market forces to preserve the environment and to ensure that consumers and producers of polluting products bear the environmental costs of their actions.

[*Translation*]

Many activities that are a threat to the environment are not the result of efficient markets but rather of market failures. These activities often lead to what economists call externalities, where the environmental costs of manufacturing certain products are not borne by the producer or the consumer but by society as a whole.

In fact, in the case of transboundary pollution like acid rain, the costs are borne by the citizens of other countries. Using our resources effectively, which is, after all, the key to sustainable growth, requires an accurate assessment of the real costs and benefits of production and consumption.

[*English*]

This is the philosophy that underlies the initiatives we have taken and that we will continue to take in the international arena to ensure that environmental protection and economic development are mutually reinforcing and not mutually exclusive. This is the approach the Prime Minister pursued with his colleagues at the Paris economic summit. It is the approach we are pursuing at the OECD, in the Commonwealth and in our proposal to ensure that the World Bank integrates environmental concerns more effectively into its operations.

We are committed to the same principles domestically as we are internationally. We do not believe that we can rely entirely on regulatory and legal approaches. Important as they are, they essentially stop things that should not be done.

[*Translation*]

It is also important, Mr. Speaker, to encourage appropriate action, and this is where market-oriented solutions could be used, for instance by encouraging a switch to new technologies that are able to bring pollution down to levels that can be absorbed without unacceptable consequences for the environment.

[*English*]

The importance that this government places on the environment was made evident in the Speech from the Throne. The government identified preservation of Canada's environment as one of four fundamental objectives for this mandate.

Recent changes to the cabinet decision-making system—the creation of the cabinet committee on the environment—will ensure that all government policies and initiatives are compatible with environmental objectives.

The forming of this committee represents a major change in the governmental decision-making process. As a catalyst for this change the government has created a new institution, the National Round Table on the Environment and the Economy. The round table brings together representatives from government, business, environmental groups and the academic world to seek acceptable means of reconciling environmental concerns and economic challenges.

While round table members may have diverse views and priorities, they share a common goal: to harmonize economic and other types of development with the need to conserve the environment.

[*Translation*]

Mr. Speaker, my colleague, the Minister of the Environment, has announced that this government is preparing an exhaustive action plan that will translate the concept of sustainable development into real terms in Canada.

• (1210)

Although it will take many years to implement, this plan will provide a framework for initiatives that will help us change our decision-making.

Our environmental action plan will improve our decisions by providing for better scientific knowledge, and training, more reliable data, better communications and more widespread use of advanced technology to monitor and report on the state of the environment.

[*English*]

Our plan will emphasize the importance of maintaining partnerships and establishing new ones among all elements of society—governments, industry, labour, non-governmental agencies, citizen groups and individual Canadians.

The federal government is taking responsibility for implementing the environmental action plan. Because the market-place cannot by itself establish the proper framework for responsible decisions on environment issues, governments at all levels must establish roles governing activities that affect the environment. We must establish the value of the environment through regulations, laws, and through economic and financial penalties and rewards.

As I have suggested, selective environmentally-oriented tax measures can have a place in our tax system in cases where this is the most effective means of achieving specific goals. However, as I said at the start, a modern, efficient tax system cannot be designed to achieve one single desirable goal, no matter how desirable. We must have a fundamentally sound, fair and efficient tax system before considering the use of the tax system to pursue so profound and wide-reaching objective.

[*Translation*]

Mr. Speaker, I may recall and repeat that this government has made a commitment to take all necessary steps to protect and preserve our environment.

We encourage policies that are ecologically sound. We do not oppose them. In fact, considering the complexity and extent of the pollution problem in Canada, we must seek new and imaginative solutions.

[*English*]

However, the opposition motion ignores the wider range of considerations that a responsible government must take into account. Canada must first have in place a stable, reliable tax system that will ensure our economy and fiscal health. Only when such a tax system is fully in place can we be sure we will have both the means and the ability to achieve the goal this motion seeks.

[*Translation*]

That, in a few words, is what this government is doing, Mr. Speaker, and for the reasons just mentioned, I believe the House should reject this motion.

[*English*]

Mr. Karygiannis: Mr. Speaker, the environment is something that concerns not only the members in this House, not only the average Canadian, but every person around the globe. We must stop borrowing the land from our children. We must work very hard to protect the environment in the future.

In the Scarborough area very close to my riding there is a committee called Save the Rouge Committee, that is working very hard. It is an area where there is talk that an expressway will go through, where houses will be built. It is an area where children at the present time go for school trips to clean up the environment, and they feel happy about it. It is an area for wildlife and where metro residents can go to enjoy themselves.

However, I heard the hon. member across the way talk about tax reform, and about the GST being 9 per cent. Clearly I was just baffled. Has the member not listened to the people of Canada, 80 per cent of whom are saying that they are opposed to the 9 per cent GST? Yesterday, outside, we had thousands of people voicing their concern against the GST.

The member rambled on about how fair the taxation is that the government is implementing and how it is working to reduce the deficit. I am just wondering if the member is in a nightmarish state and he has to open his eyes and see exactly what the people of Canada want.

Yes, the people of Canada want a better environment. However, the people of Canada have repeatedly said, "No, no, no" to the 9 per cent GST.

Just the other day my children brought home a form that I had to fill out and send to the government stating that we are against the GST because they will be taxed on their skating lessons. My little daughter asked me, "Dad, does that mean that I will have to pay more?". I am just wondering how the hon. member would answer this question to future generations of Canadians, how he will tell them that they have to pay more for their music lessons, more for their skating lessons and more for everything else. We are again turning around and taxing our education.

The Prime Minister stands up there and says, "We created 1.4 million jobs after the free trade legislation came in". These jobs are hamburger helpers at McDonald's.

My question for the minister is this. When will this government actually open its eyes and ears and see what the Canadian people want and listen to the Canadian people and stop rambling on about reducing the deficit? Since this government came into power the debt has doubled. Probably by the time the people of Canada kick you out, you will have taken it up by four times. The government should actually see what it has done to this country. It has taken it down the tubes.

Mr. Loiselle: Mr. Speaker, I would like to tell the hon. member that since we have come to government the deficit has not doubled. It has been lowered by approximately $10 billion, which is something important that he needs to know.

Second, when I listen to the description the hon. member from across this hall gives of our tax reform, I am not surprised that Canadians have some hesitation. But we will proceed to explain to them that this change is needed, that this change is a modern change, that it is a fair change.

I heard a little while back another hon. member say that the Minister of Finance had admitted that the GST was regressive—not at all. What the Minister of Finance has said is that sales tax can be regressive, and we have taken every measure to make sure that it is not so.

So we are talking about the deficit. We are taking the necessary measures to guarantee the income this government needs in order to provide Canadians with their programs. I can assure the hon. member that we will continue to do so.

He must agree that the decision we have taken to proceed with tax reform has not been done because we want to be popular. It has been taken because it is needed for this country. We are putting aside a tax which is devastating to our economy. We are doing it, following a model that is used in a large number of modern countries. Therefore, I do not agree with him on his conclusion.

I think that the environment, like all social programs, is threatened, not by decisions of any one government, but by the state of the finances of this country, which have to be put in order.

We inherited a very high deficit. We have worked to bring it down. It has been difficult, but we will continue to do so because we consider this to be the best way to guarantee this program, and to tackle environmental problems which are with us.

Mr. Fulton: Mr. Speaker, my question for the Minister of State for Finance is in relation to the concluding remarks he made, that there needs to be some further changes to our tax system before any serious consideration can be given to bringing in environmentally appropriate taxation or a green tax system.

I would like the minister to address some of the simple points that I made when I was speaking. How does he explain that it is appropriate to tax bicycles under the GST at the same rate as motor vehicles, virgin paper at the same rate as recycled paper, and to tax a non-polluting industry producing any given product at the same rate as a similar industry that in fact is a polluting one?

• (1220)

If one looks at the nature of the environmental problems facing Canada, one sees that they are broad, they are severe, and they are increasing in their severity right across the country, whether it is with respect to toxic and hazardous waste or the movement of persistent and bio-accumulative materials into the Great Lakes and St. Lawrence system. What is happening is that every major run of fish in the world is on the decline, which is true of the Canadian fisheries as well. There is the rate of soil erosion to be looked at, and so on. If you talk to any economist you can find a direct link between the form of taxation that is taking place, the rate of environmental decline, and the amount of waste that is going on in our society.

The minister says that we have to wait until some future, more regressive tax measures are put in place before doing anything serious about the environment. Does the minister support the concept of a green tax system, or does he only support the kind of tax measures that are in place or being proposed by the present Minister of Finance?

Mr. Loiselle: Mr. Speaker, what we support are all the measures that will enable this government to assume its full responsibility in all sectors. As I have indicated, we are changing a tax system which is very porous, which threatens the resources of the government, resources which are needed.

The member talks about bicycles. It is very easy to be very emotional about any particular item which is taxed, but bicycles are already taxed. He may not know that. A lot of other things are taxed directly or indirectly.

What we have been very careful about doing is providing a very generous credit system by exempting a certain number of basic essential products so that the system is fair. Once people are given the capacity to make their own choice they are not hampered by our reform.

This tax is far from being regressive. If we start removing this or that article, you will have to increase the rate, as the hon. member obviously knows. We are getting away from a tax system in which there are 75,000 tax collectors and 22,000 different particular arrangements, which are throwing our economy into a state of disorder.

These are central issues that we have to tackle in order to face the problems, which I agree are serious. The greatest reward or the greatest hope we can have is that we, at long last, are tackling these problems of the environment which have been with us a very long time.

I am very hopeful that all together we can pull out of this very damaging situation and make sure that we pass on a better world to our children.

Mr. Manley: Mr. Speaker, to keep it short, the minister speaks about how devastating the federal sales tax has been on the economy, and his word was "devastating". I think Canadians will note that his government has increased the tax from 9 per cent to 13.5 per cent, thereby increasing the devastation by 50 per cent.

I would like to ask the minister this. Since he does not feel this tax is regressive, and since he thinks that the government has taken measures to ensure that it will not be regressive, why on earth does this government refuse to index the sales tax credit so that the poorest in our society can be assured that they are not going to be punished any more by this tax?

Mr. Loiselle: Mr. Speaker, we are very glad to stand by our record. We are the government that has put in place a tax credit for the sales tax. We have always been very careful to adapt it and raise it as needed in order to meet the same objective we have given, which is to have the fairest possible tax system. We will continue to do that.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, I have listened with interest to the motion introduced today by the hon. member for Skeena. I salute him and congratulate him for his initiative. It is a timely initiative, drawing our attention, in the broader context of tax reform and fiscal policy, to the possibilities that the tax system can provide for better environmental control and for improved services, both municipal and federal, to the people of Canada.

Most people in Canada, of course, as in many countries, see pollution as something that directly touches their lives, a matter often closely linked with public health. The challenge facing governments is to persuade people that curbing pollution is always in their interest, and that, invariably, it costs money.

In the past, Canadian governments and, indeed, governments in many western countries, have chosen to pursue the "command" route: thou shall not pollute. More recently, a number of European countries in particular have explored the possibilities of using the tax system as a method of encouraging environmental policies.

I have in mind the fact that Sweden taxes the active ingredients in pesticides and fertilizers. Finland and Norway impose charges on non-returnable containers, Italy on plastic bags, and Sweden on batteries containing mercury or cadmium. One could continue, for the examples are many. The initiatives in Europe are certainly something that Canada could look at with benefit. I suspect that my colleague for Skeena may have had such initiatives in mind when he introduced his motion today.

Traditionally, governments have used the tax system for purposes other than merely to raise revenues. In a variety of ways and over the past century there have developed in Canada methods within the tax system either to encourage certain economic policies or to discourage certain practices considered to be contrary to the public interest.

The government—and I do not speak merely of this government but of previous governments as well—has sought in the Income Tax Act, the Excise Tax Act and the Customs Act various ways in which to encourage environmental policies, particularly in the corporate world.

In all those cases, and I could cite one or two other examples of the tax system being used as a method of encouraging better pollution control, they are only effective if they are coupled with broader governmental policy on the environment. In other words, if we are to make further use of the tax system as a method of encouraging better environmental practices, then it must be linked to the environmental laws and policies that we already have in place.

I mentioned the Income Tax Act. Capital cost allowances under the Income Tax Act have provided for the depreciation of equipment relating to pollution control. It may be that the government would like to examine further the possibilities of accelerating the write-off of capital costs as an additional incentive to corporations, both with regard to water and air pollution.

The capital cost allowance write-off was three years. I believe that it is now two years. The government may wish to look again at that term to see whether some further incentive might be provided under accelerated capital cost allowances so that equipment would be purchased and put in place now for the future benefit of the environment and, indeed, the benefit of all Canadians.

I would also remind the House that the Income Tax Act has been used as a means of directly influencing environmental behaviour. The Oil Substitution Program were two elements of the National Energy Program that is now largely forgotten, but which did bring real benefit in terms of environmental improvement.

• (1230)

The Excise Tax Act is a second example of government tax policy which can have an effect on the environment. It provides for exemptions and reductions for a broad range of policy reasons. The government may want, as it revises and reviews the Excise Tax Act, to look again at its schedules of exempt equipment to see whether they are, indeed, comprehensive enough, whether they offer the municipalities in particular the possibilities of installing and improving the level of the equipment that they have available to them for pollution control.

Finally, of course, customs duties have also been a method whereby the import of pollution control equipment could be facilitated. Under the free trade agreement with the United States those duties will be eliminated. But, of course, the United States is not the only source of good pollution control equipment. Therefore, the government may wish to consider what further measures could be taken under the customs tariff to determine whether equipment from other than the United States might be made more readily available in Canada.

I have said that the tax measures cannot be viewed in isolation. In the case of environmental control incentives, if they are to be efficacious, the tax measures should be directly related to other programs that the government is conducting in the environmental area.

I do, however, want to say more about possibilities for the future. There has been a whole range of suggestions, and I regret to say less from this House than from outside this House, that has come forward about the use of the tax system as one route toward improved environmental control. These have ranged from additional deductions for scientific research to proposals for capital cost allowances for pollution control devices. We have seen more recently even more imaginative proposals that have been brought forward which have a direct effect on our tax system.

I speak, of course, of the idea of environmental bonds which have been advocated, I believe, by some members of this House, and certainly by a number of our fellow Canadians. Taking the United States example, a municipality floats a bond and the interest paid on that bond to the bondholder is exempt from federal taxes. That type of bond related to environmental purposes might be developed in Canada. A municipality, for environmental purposes, could introduce a bond, the interest on which would be deemed tax-free by the federal government. That is one area where some substance might be given to

the proposal of the hon. member for Skeena for a so-called green tax.

Many of us also will be aware of the initiatives taken by some Canadians to put forward the idea of environmental mutual funds. Particularly in Vancouver we have seen the initiative taken to limit the investment of certain mutual funds to those companies whose processes or products are considered environmentally respectable. The incentive for those mutual funds to invest in the companies making such products or conducting certain procedures, is limited of course by the profitability of those companies.

It may be that within the tax system there are ways in which investment in mutual funds directly related to the environment could be encouraged by a tax incentive.

The question of environmental flow-through shares has also been raised on a number of occasions, the comparison being with the flow-through shares in the oil and gas industry where basically the benefits of the profitability of the company flows directly through to the shareholder. The tax benefits normally earned by the corporation can be passed on to investors by the company renouncing its use of those benefits.

It may be that with some imagination and perseverance, it would be possible for us to develop within Canada, again basing ourselves on the precedent of the oil and gas flow-through shares, such a practice within the environmental area as well.

In conclusion, I want to say a word more about sales taxes, which of course are very much on everyone's minds these days. With regard to enviornmental incentives, the precedent in the case of the manufacturers' sales tax is there. The Minister of State for Finance will know that the present manufacturers' sales tax does provide, in a number of instances, for the exemption or reduction of the tax on products that are intended for environmental control.

I know that as soon as one puts forward the proposal for exemptions from a sales tax, one gets into a complicated area of public policy. But it may be that if the government chooses to pursue its present policy of exempting certain products and services from the effect of its proposed goods and services tax, it may want also to look again at its former practice of exempting pollution control equipment from the sales tax and consider whether it wishes to extend that practice into the new tax.

There is another possibility, in my view, where we could seek the opportunity to use taxation as a method of encouraging better environmental practices, and that is to try to develop an emissions tax. We have effectively provided for such an emissions tax in the case of automobile gasoline. Indeed, in Europe today there is a number of countries pursuing different taxations for different types of emissions by, for example, taxing unleaded petrol at a lower rate than leaded petrol.

The case that I have in mind is whether we can use an emissions tax as an effective method of encouraging better environmental practices when related to other government initiatives in the environmental field. I believe that we could.

There are methods of establishing environmental norms against which the practices of any corporation could be measured, whether it be in the area of air or water emissions, and a tax levied for those who are not meeting the norm. I want to acknowledge at once that a tax is paid only by a profitable company. In a number of instances the worst polluters are companies of only marginal profitability or indeed those that are not profitable at all. Therefore, broadly speaking, the effectiveness of a so-called green tax or a tax system along the lines that I imagine the hon. member from Skeena has in mind can be limited by the fact that a company must be profitable to respond to tax incentives.

• (1240)

I might conclude what I have offered this morning with the observation that today firms are often financially worse off by being good environmental citizens. There is not, in effect, a broadly based incentive for corporations to seek better environmental practices. I would join with our colleague from Skeena in seeking, through the tax system, any opportunity to make it profitable for companies to benefit from the introduction of better environmental controls and procedures.

Mr. Fulton: In listening to the hon. member's remarks it seems that he is supportive of the idea of a green tax system. As I am sure he is aware, the present process of prosecution under the Fisheries Act for allowing persistent or biocumulative materials to go into the Great Lakes, the St. Lawrence, or into the salt water environment, simply is not working. In fact under the Canadian

Environmental Protection Act there has only been one prosecution since the act was proclaimed.

We know that prosecution is simply not working, even though we have the concept of zero discharge included in our bilateral treaty with the United States on Great Lakes Water Quality. As we learned both from the IJC and the more recent reports from both Canadian and environmental authorities, the quality of the Great Lakes is continuing to go down. We know in terms of the atmosphere that the same is true. The quality of the air in Canada is continuing to decline. Prosecution and fines are not the way to encourage industries to clean up.

I wonder if the member could spend a moment to reflect on whether or not it is appropriate to bring in something like the GST which will tax recycled paper at the same 9 per cent rate as virgin paper. That is certainly not going to encourage the more environmentally appropriate use of recycled paper. In relation to waste reduction whether it is coming from a smokestack into the atmosphere, or from a pipe into a river, lake, or the ocean, or in terms of the more than 50 per cent of hazardous and toxic waste that is being illegally and improperly disposed of across the country, the prosecution route is not working. That stick is not working.

Would the member not agree that the carrot approach of a varying green tax in relation to minimizing energy used, minimizing waste production, and moving toward the cutting edge of technologies and renewable energy, is the route we should be going with our tax policies in Canada? We know that our environment is becoming increasingly degraded. We are facing significant levels of unemployment in areas where we in fact should have full employment in the resource production areas. By adding another layer of regressive tax, it will simply accelerate the rate of environmental destruction rather than reduce it.

It seems the member is supporting the concept of a green tax, but could he clarify exactly where the Liberal party stands in relation to a green tax system and compare it to the GST as proposed by the Minister of Finance.

Mr. MacLaren: I certainly agree with the hon. member that the "command and control" approach to environmental matters is not often the most effective. Depending on how that approach is applied, it can penalize new entrants to an industry, since regulations are probably tougher on new entrants than they are on existing producers. Quite often the command and control procedure, for whatever reasons, is much less effective than the incentive system. I have no dispute with the member for Skeena in that regard; obviously it should be the carrot rather than the stick.

However, I want him to recognize that using the incentive system has some real problems. I was not certain this morning whether in his discussion he would become specific about what particular fiscal measures he envisaged to give substance to his green tax idea.

Having said that, let me add that in the case of the Liberal party—and I did not wish to interject any particular partisan note into this question because I think it is one question that concerns us all, I recall that it was a Liberal government of the late 1970s and through the early 1980s which did introduce various fiscal measures intended to provide incentives for corporations to introduce procedures environmentally improved over what they had been before. The record of the Liberal governments, while perhaps not always as aggressive or as imaginative as one might wish, did at least point in the right direction.

In the case of the manufacturers' sales tax, which was then 9 per cent and subsequently 11 per cent, the Liberal government of the day did provide exemptions for improved pollution control equipment.

Now we have the government of the day offering a goods and services tax which to my knowledge, except possibly in the case of municipal taxation, does not offer any comparable incentives for environmental improvement. It is for the government, in deciding whether it will set the rate of tax at 9 per cent or 7 per cent, whether it will also offer rebates for the equipment for improved environmental control. That is an option open to the government. I have not yet heard this government come forward with such exemptions or rebates. It may be that the Minister of State for Finance, if he were with us, would want to respond to the question of how indeed the

federal government intends to tax under the GST the services and the equipment used by municipalities, many of which are directly concerned with environmental control.

I for one share with the member for Skeena some puzzlement by what the government intends to do with regard to the imposition of the goods and services tax on municipalities. If we could at least have such clarification today, that alone would justify the member's motion.

Mr. Jordan: Mr. Speaker, I want to congratulate my colleague from Etobicoke North for what I thought was the very clear and scientific way in which he developed his position.

I just want to go back to the comments of the previous speaker from the other side of the House and try my colleague from Etobicoke North on a concern which I have and which I think all Canadians have. They set out something that was an action plan and it contained four vital elements. One of them in the future would have a great concern for the environment.

In other words, I think what they meant was that things would be put to the test and, if they could not stand the test in relation to what this action would do to the environment, they would not allow it; they would condemn it.

I am really puzzled as to why they would take the action that they have in reference then to VIA. Rail transportation has been proven to be the most compatible with the environment as far as emissions standards and the like. I am not aware of any public input that was allowed or any study that was done and released to the public to show that there was any concern there at all.

In your opinion do you think that they have broken with what they set out as a very noble set of conditions? And I think Canada would applaud those, however at almost the first opportunity that comes along, deliberately or otherwise—presumably an ignorance of their own rules—they put this out to the Canadian people without any discussion or any seeming justification for it. Certainly it has not been proven to be the most accepted way to go as far as environment is concerned in reference to mass transportation.

Would my colleague from Etobicoke North comment?

• (1250)

Mr. MacLaren: The hon. member is of course quite right. In its decisions with respect to VIA the government has not limited itself by environmental considerations. Equally in its policy of airport expansion and, as the hon. member has put it, in mass transport generally we see no real commitment on the part of the government to take into account environmental considerations before making its final decisions with regard to the abolition of rail services or the expansion of airports. Both of those policies have major environmental considerations. It is a deplorable fact that this government has not seen fit to consider the environmental elements before announcing its commitment to the expansion of airports and the reduction of rail services.

With regard to rail services in particular, it seems to me self-evident that with the investment of additional funds in rail services not only would the services be improved for certain communities but, broadly speaking, the environmental impact would be a positive one.

In the name of deficit reduction, which is an understandable policy on the part of the government, it has decided to reduce those services, to reduce those government expenditures. It has not, however, shown any inclination to tackle the real problem which is high interest rates which make the deficit so high and which in turn encourages the government to turn to such alternatives in its view as reducing rail services or other environmentally damaging practices. I agree with the hon. member that the government has acted hastily and acted with only short-term considerations in mind.

The Acting Speaker (Mr. Paproski): I regret that the time for questions and comments has now terminated. The hon. member for Yorkton—Melville.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I rise to take part in a debate which is a very important one in terms of a new idea for our tax system that has not been pursued in this country before. It is the fact that we have a tax system that takes into account the ecology. The motion of the hon. member for Skeena reads as follows:

> That this House calls upon the government to implement an ecologically sound "green" tax system.

I believe, as most people around the world believe, that we do not have too much time left in terms of saving the planet from the pollutants that we are constantly spewing out into the water, the atmosphere, our food system, and into the earth. We have to do whatever we can in this country and around the world to try to reverse the very dangerous direction that this world is going in.

Our country, despite its small population, despite its relative economic wealth, abundance of resources and progressivity in terms of social and economic programs, is one of the worst pollutants on a per capita basis in the world. I think that is a very sad commentary of where we have been and where we are as a country.

The question we must ask ourselves is: How can we change that? I think the member for Skeena has made a recommendation today that is very important about how we can go a major distance into changing how we look at our environment and what we do to the environment. If you look at the history in our country and other countries around the world, we find that tax policy has a tremendous impact on the social and economic policies and institutions of this country and other countries around the world.

We see around the world example after example of governments reaching out for their objectives through the taxation system and making sure that certain things happen because of a taxation system in this world and in this country in particular.

We see in the provinces as well social economic policy being determined in part by taxation policy. I know that in my own province of Saskatchewan, which is very rural, we often have taxation regimes that help people living in rural communities, small towns, farms, communities that are a long way from the major cities of Regina and Saskatoon. I suggest that we can do the same thing with the taxation system here.

I want to make the assertion—and I hope you agree, Mr. Speaker—that our present taxation system is one that was designed for the horse and buggy in terms of the modern problems of the environment. It is antiquated, out of date, and out of touch in terms of doing something real about the environmental problems that we have.

I will give a few examples of what I mean. The government across the way has introduced a goods and services tax. It is a 9 per cent tax across the board touching everything from the pizza that you are going to buy, Mr. Speaker, to the haircut you will have every once in a while, to what goes into the inputs of industry, and so on. It is a tax that covers a broad sweep, regardless of whether or not that industry or that activity is polluting the atmosphere. It does not discriminate in favour of companies, activities, or products that help keep this planet green. It does not discriminate against companies, products, or activities that indeed pollute the environment and make this world a much worse place in which to live.

It is an antiquated system. It is a system that has to be changed. For example, the goods and services tax will have the same tax on a bicycle as on a motorcycle. A motorcycle will pollute the atmosphere where a bicycle will not. It will have the same tax on cycled paper as on recycled paper. Recycled paper in the first place costs more than virgin paper, yet the tax is the same. It will have the same kind of tax on alternative forms of energy as on energy that is based on fossil fuel. It will have the same kind of tax on motor boats as canoes. Yet of course a motor boat will pollute the atmosphere and the waterways a lot more obviously than one without a motor.

We will have a tax that will not discriminate at all on the basis of whether or not a contribution is made to keep our planet green, beautiful, and alive for this generation and future generations.

Perhaps what Parliament should do is to take this motion put before the House today by the hon. member for Skeena and in a very non-partisan way refer the idea to a parliamentary committee or to a task force for a thorough study of how we can change the taxation system in this country to make sure that it helps produce at the end of the road a planet that is liveable, safe, decent, and clean for this generation and generations that are to come. That would be a very useful activity of a number of members of Parliament in terms of a contribution to the economy and a contribution to the environment in the years that lie ahead. I think that that is something that could be done.

I believe that taxes in this country should reflect the cost of a product to the environment. The current taxation system does not reflect that at all.

I remember back in 1969, Mr. Speaker, about a year after the two of us were elected, when the then Prime Minister Pierre Trudeau brought in a novel idea. It was called the Department of Regional Economic Expansion. It was to set aside some moneys for places like the Atlantic provinces, the Gaspe, northern Quebec, northern Ontario, and parts of western Canada to try to stimulate growth in the areas that were slower growing in this country. It was an area to use fiscal policy in order to provide economic development for people in this country who lived in areas where the market forces were not useful in terms of producing jobs.

I think now, some 20 years later, the time has come to change the taxation system in this country where one of the prime motivators is going to be the impact in terms of greening this country and greening the planet, along with other prime principles like progressivity and the ability to pay for ordinary Canadians.

That is perhaps a very radical idea. It is a very radical idea, but I think it is an idea whose time has come. The time has come to make sure we penalize companies that pollute, that we penalize individuals that pollute. A simple way of doing that is through the taxation system. It is a way that is not complicated, and it is not bureaucratic. It is a way that can be done that is in tune with the tradition of our times. It is something that can be done that is very, very useful. I think that that green tax system should reflect the environmental cost of manufacturing products in this country. I think that the money that we receive from that system can be churned over once again into promoting a greener planet and a greener Canada.

The Acting Speaker (Mr. Paproski): The hon. member will have 12 minutes left, plus 10 minutes for questions and comments when we return on debate.

It being one o'clock, I do now leave the chair until two o'clock this day.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

S. O. 31

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

CORRECTIONAL SERVICE

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, for the first time in Canada, 1,100 parole officers of the federal correctional service will go on strike next Monday morning, unless an immediate agreement is reached between the Canadian Union of Public Employees and Treasury Board. These public servants have not had a salary increase since December 1986 and have to work in deteriorating conditions. Mr. Speaker, if Treasury Board does not take these workers' demands more seriously, maybe it will take the security of Canadians more seriously, because if these 1,100 parole officers decide to walk out at the same time, who will supervise and monitor all the paroled prisoners?

It is imperative that the government act this week to keep this situation from worsening and all labour relations in the Public Service from deteriorating as a result.

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[*English*]

FISHERIES

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, representatives of the major fisheries unions in Canada are meeting here today in Ottawa to discuss the growing crisis in their industry.

A serious question has arisen. Who in this government is responsible for fisheries policy? Legislation before the U.S. Congress threatens the Canadian lobster industry. It calls for a ban on the import of lobster under a certain size. The Minister for International Trade describes these efforts as trade protectionism at its rankest. The Prime Minister told the House that the full weight and influence of the Canadian government will be brought to bear on behalf of Canadian fishermen.

What of our Minister of Fisheries? His briefing book prepared for the media reassures us that the new regulations are being brought forward for conservation reasons. Why has the minister judged the U.S. claim so favourably, thus prejudicing any case this country may make in terms of protecting our crucial market? Could the Minister of Fisheries explain why U.S. claims of

conservation are legitimate when his fellow cabinet minister and the Prime Minister so obviously disagree?

* * *

CANADIAN ARTISTS

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, I rise to draw to your attention today the presence in Ottawa of a group of Canada's leading performing artists, some of whom are with us here and who have come to promote the issue of performers rights in the context of the second phase of amendments to the Copyright Act.

For the benefit of those who will be unable to meet with these performers today, members of this House should be aware that these performers are seeking the right to be compensated for the use of their performances.

This government is very sensitive to these concerns, and will be taking them into consideration in planning the final phase of copyright revision. Moreover, the government is committed to broader initiatives that will enhance the socio-economic status of our artists and the Standing Committee on Communications and Culture will begin reviewing this important subject next week.

* * *

RIDEAU RIVER

Mr. John Manley (Ottawa South): Mr. Speaker, just a few hundred metres from this spot, one of Canada's most beautiful and historically important rivers, the Rideau, enters the Ottawa at the Rideau Falls.

This river makes its way slowly through the national capital and contributes much to the beauty of Ottawa and the pride that most Canadians have in their capital city, surely one of the most beautiful in the world.

But tragically, Mr. Speaker, the Rideau has become a symbol of what has gone wrong in Canada. Its waters are polluted, its beaches are closed, and no one that I know would think of eating a fish drawn from the lower Rideau.

The problems of the Rideau do not exist in isolation. They reflect the strains on water systems throughout Canada. But surely the Rideau should be a symbol of what is right in Canada. This historic waterway, flowing through the heart of our capital, is a challenge to governments at all levels to prove our commitment to a clean and healthy environment.

That is why over 1,500 residents of Ottawa South in petition have urged the Government of Canada to engage in co-operation with the provincial and local levels of government to demonstrate on the Rideau a model of river clean-up and maintenance. I ask, Mr. Speaker, if the Rideau cannot be made clean, how can there be hope for the major industrial waterways of our country?

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[*Translation*]

NORTHERN TAX BENEFITS

Mr. Guy St-Julien (Abitibi): Mr. Speaker, health care for residents of northern Quebec is a major problem because hospitals providing a full range of basic services are rare in Matagami, Joutel, Lebel-sur-Quévillon, Desmaraisville, Miquelon and Waswanipi. Furthermore, many communities in northern Canada face a chronic shortage of physicians and hospital staff, which forces residents of these towns and villages to go to urban centres at great expense.

The task force on financial compensation for isolated northern communities wants to abolish travel deductions paid by the employer for medical reasons and also the deductions for two vacation trips a year.

Mr. Speaker, if Canada cannot afford to allow northern Canadians to travel for medical reasons, why does our government not reduce the size of ministerial delegations and abolish publicly funded travel abroad for members of Parliament who are part of a parliamentary association or Commons committee?

* * *

[*English*]

CONNORS BROTHERS

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I was honoured this past Friday to present on behalf of the Minister for International Trade the Canada Export Award to Connors Brothers. Located in my riding of Carleton—Charlotte Connors Brothers is the largest sardine processing plant in North America employing close to 3,500 people, and exports its canned herring, sardines, and kippers to over 30 countries

around the world. In fact, exports account for 70 per cent of its production.

In addition to maintaining its strong market share of the United States, Australia, New Zealand, and the Caribbean, Connors Brothers this past year entered new markets in Israel, Mexico, the Philippines, Bolivia, and Hong Kong.

Since the Canada Exports Program was initiated in 1983 only 95 companies have been recognized for their contributions to the expansion of Canada's export capabilities.

Connors Brothers stands as an example that given the opportunity, Canadian businesses in every region of the country can successfully compete in the increasingly competitive global market-place.

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NORTHERN TAX ALLOWANCE

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, the task force report on tax benefits for northerners and isolated areas calls for one northern zone, thereby eliminating many hundreds of communities across Canada from the current northern residents deduction.

In Kenora—Rainy River some 35 communities will lose the benefit if the government accepts the recommendation of the task force. If the recommendation of a single northern zone is accepted, employers will be faced with a dwindling workforce as workers leave northern Ontario and head south where the cost of living is cheaper.

The Dona Lake gold mine in Pickle Lake is already suffering from a shortage of workers and without the northern residents deduction it will have a more difficult time of it.

[*Translation*]

The Government must remember that the main purpose of this program was to encourage workers to go north where there are jobs.

[*English*]

If the government fails to keep this in mind hundreds of jobs will be lost to the south. I urge the government and the Minister of Finance to ignore the one-zone concept included in the report and to come up with multiple zones and graduated levels of benefits which are equitable and simple.

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ARMS CONTROL

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, last week the Canadian Centre for Arms Control and Disarmament issued a significant report on Arctic arms control and security co-operation. This report was in response to proposals on Arctic security made by Soviet General Secretary Gorbachev in October, 1987. Unfortunately, the Canadian government's response to the Arctic arms control proposals by Gorbachev has been negative.

Is it not time that this government adopt a new attitude to arms control, particularly with the Arctic? Unless we start playing an active role, Canada runs the risk of allowing arms control to be bypassed in the thawing of east-west relations. The Prime Minister will have a golden opportunity to help make Arctic security co-operation a realizable goal when he visits with Gorbachev next month. While Arctic security is not on the formal agenda, the Prime Minister can further the cause by initiating some informal discussions. At a minimum, the government should accept two of the Arms Control Centre's recommendations. It should create an ambassador for circumpolar affairs, and it should extend the open-sky proposals to include the Arctic Ocean region.

There are historic opportunities to dismantle the military apparatus that has been built up during the cold war. I urge this government to take a leadership role in bringing about a secure and demilitarized north.

* * *

FREE TRADE

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, as you well know, Canada is a trading nation. Our exports around the globe support three million Canadian jobs. By supporting the free trade agreement Canadians showed they understand the importance of competing internationally and expanding our export sector. That is why I am proud to rise here today to congratulate Westcan Alfalfa Inc. of Regina on winning the 1989 Canada Export Award.

Westcan is an excellent example of the progressive entrepreneurial spirit found in Regina and throughout Saskatchewan. The determination and initiative shown by Westcan Alfalfa is what will be needed to drive the Canadian economy forward in the face of tough interna-

tional competition. It is a good example to those who would have Canadians believe that we cannot compete with the rest of the world.

I know that the leadership shown Westcan Alfalfa will encourage other Regina companies to enter the international marketplace and bring increased prosperity to Saskatchewan and Canada.

* * *

• (1410)

FISHERIES

Mrs. Coline Campbell (South West Nova): The Minister of Fisheries has been hiding behind a report of the Scotia–Fundy Industry Capacity Advisory Committee. He has used this report as his bible to give direction to a hard–pressed inshore fishery in the Scotia–Fundy region.

The members of that committee acted in good faith, something I am beginning to realize this minister knows nothing about. At no time did the committee feel that this report would be acted upon in isolation. One has only to look at the report to know that it could not be taken in isolation from the problems in the groundfish management plan and the offshore fleet capacity. The first page of the report states: "The committee emphasizes that quantification of over–capacity of any fleet sector is a direct function of the resource allocations available to that sector. Thus, implementation of capacity reduction programs should be preceded by resolution of long–term resource shares. Although the review of this offshore enterprise allocation program was undertaken by DFO while this committee was functioning, the committee could not achieve success of what it viewed as the important results of that review" without review of the offshore program.

As well, the last sentence of this report, and there are only 11 pages, states that: "The committee now seeks a commitment from DFO to complete the task, in continued consultation with industry". I say, Mr. Speaker, that at no time did the members of the committee see this report implemented before a further in–depth study of the critical areas be done. This has not been done, it is not being done.

Mr. Speaker: The hon. member's time has expired. The Hon. Member for Sarnia—Lambton.

PARLIAMENT HILL

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Mr. Speaker, yesterday's noon–hour incident was indeed unfortunate even more so unnecessary and uncalled for. Arrangements had been made prior to the demonstration which would have permitted an agreed on number of cabs to drive by the Centre Block in a safe and orderly fashion. However, once it became apparent these conditions were being changed, the RCMP responded in an appropriate and responsible manner. An earlier 12–minute fire alarm only enhanced the fundamental need for access to the Centre Block.

Less appropriate were the actions of some members opposite. Certainly in a democracy the people have an inalienable right to demonstrate and express their opinions. This, however, must be done in a safe and responsible manner. As such, the choice of some colleagues opposite to aid and abet a demonstration which clearly would raise security concerns and deny emergency access to the House of Commons borders on irresponsibility. It is incumbent upon us as Members of Parliament to fully recognize a proper and important role which security and safety assumes in this place for all members, their staff and the staff of House of Commons. In the future, let us all work together to continue to make this place an accessible, secure and safe place for us all, not simply for a select few.

Mr. Speaker: The hon. member's time has expired.

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PARLIAMENT HILL

Hon. Bob Layton (Lachine—Lac–Saint–Louis): Mr. Speaker, I rise on the same subject as my colleague. To demonstrate publicly and legally in support of or against an issue is one of our basic rights as citizens.

Yesterday's efforts by cab drivers and others to focus attention on the goods and services tax was no exception. In the course of those events, officers of the RCMP had difficulty in meeting their obligation to ensure access to Parliament Hill for emergency service and for those people, including MPs and Senators, who work here. I hope that all in this place, government supporters and opposition alike, will act to uphold the RCMP when officers act to protect the persons and property that comprise the Parliament of Canada. It was disheartening to witness on the TV reports of the incident yesterday the intolerance of some of the demonstrators in their

attack on the young man who publicly supports the GST as the best alternative to the unfair and long out of date sales tax on Canadian manufacturers.

* * *

ORGANIZATION OF AMERICAN STATES

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, yesterday the Secretary of State for External Affairs said in response to my leader's question about Canada's ability to act independently within the OAS: "We set Canadian policy here in Canada for Canadian reasons. That is our practice, that will continue to be our practice".

Will the Secretary of State practice what he preached? Will Canada denounce continued covert aid to the Contras whose present activities have resulted in the death of hundreds and which threaten to destabilize Nicaraguan peace process? Will Canada denounce the $9 million spent by the United States government in support of opposition parties in the Nicaraguan election as an unacceptable intrusion in the internal affairs of another state?

In short, will Canada resist the OAS' historic compliance with U.S. military and political intervention in the affairs of member states, or will the Secretary of State be fearful that in reflecting Canadian opinion the Americans will perceive him, as they did Douglas Roche, as too vigorous?

ORAL QUESTION PERIOD

[*English*]

CANADIAN ARTISTS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, Canadian performers are in Ottawa today with flowers and with the message that bouquets are not enough. Performers are playing a primary role in the shaping and strengthening of our Canadian cultural identity, our national consciousness. Accolades are fine, but it will not put food on creators tables, it will not look after their social benefits or their tax concerns. That is not going to happen until the status of these artists is given full professional standing.

My question, in the absence of the Minister of Communications, is for the Prime Minister. I want to know, artists want to know and Canadians want to know when will he introduce status of the artists legislation that will provide for the social and economic benefits to which these artists are entitled?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, this question was raised earlier today on a point of order having to do with questions about phase two of the copyright legislation. I can tell the hon. member that the Standing Committee on Communications and Culture of which she is a member will shortly be seized with the issue if it is not already. It has the authority under the House rules to identify its own areas of study and the minister is anxiously awaiting the labors of that committee.

Mrs. Finestone: Mr. Speaker, it is ironic that the Parliamentary Secretary would answer in that way. He knows that we did not one, but two studies on the status of the artist, the taxation of the artist, and he was chairman of the committee at that time.

[*Translation*]

Mr. Speaker, my second question is as follows: It has always been recognized that one has the right to be paid once a job is finished. This is a fundamental human right. Nowadays, in the 20th century, in a so–called civilized country like Canada, hundreds of performers do not receive money that is rightfully theirs, in return for the reproduction and sale of their work, and the government is not doing anything about it.

Mr. Speaker, I want the Minister to tell us here and now, in the presence of all the great artists with us here today, exactly when he intends to table phase two of the copyright bill that would give them the legal means to collect the fruits of their work.

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, first I would like to thank the hon. member for her question. Today is of course a very important day for members of the Canadian arts community who have come to meet Members of Parliament and the ministers. I met them this morning, and we discussed these issues, with particular emphasis on two aspects: the status of artists and copyright phase two. The hon. member knows perfectly well that the government is defining its approach, objectives and goals in close co–operation with

the Canadian arts community. We have advisory committees that are travelling across Canada to identify the areas the government will deal with. I can give the House the assurance that the government's commitment as expressed and approved by the Prime Minister, is well-known to the arts community.

[*English*]

Mrs. Finestone: Mr. Speaker, bouquets and flowery words since 1984 have not changed one bit the status of the artist nor the legislation that we wanted in phase one of copyright.

It is now clear that artists, orchestras, dance troupes, opera companies, playwrights and regional theatres will face severe financial hardship because of the government's proposed goods and services tax.

• (1420)

That 9 per cent will strain to a breaking point the cultural activities which employ thousands of people in Canada. Does the minister not realize that the GST could be the straw that breaks the artists backs? Why is the minister sitting on the sidelines while his colleague, the Minister of Finance, is busy sinking the cultural ships of this country?

[*Translation*]

Mr. Masse: Mr. Speaker, if the hon. member wants to show her teeth, I will have to answer that since 1984, there has never been a government in this country that did so much for structural reform in the cultural domain.

Some Hon. Members: Hear, hear.

Mr. Masse: Since 1984, we have created task forces on the arts and on copyright. We identified policy, and as far as legislation is concerned, we started to do what not a single government had done previously, Mr. Speaker.

[*English*]

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, my question is also for the Minister of Communications. Over 70 per cent of English language television programming in Canada originates in the United States. This country allows Americans to sell their product to Canadian networks at a fraction of production costs. That is dumping and that is unfair to Canadian artists.

Foreigners are not allowed to do that, say, with their wheat. They are not allowed to do it with clothing. They are not allowed to do it with boots. Why is television programming treated any differently from other products that enter the Canadian market-place from abroad? My question for the minister is this: why are Americans allowed to dump their television programming on the Canadian market-place thereby undermining Canadian cultural sovereignty and taking much needed jobs away from Canadian artists?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the answer is very simple. It is because what we have now is the law that you passed in 1968. That is the one we want to change.

Some Hon. Members: Hear, hear!

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my question is for the minister responsible for culture and communications. Many Canadians do not realize that most artists in this country do not get their full pay cheque after the first production of their work. Many Canadians do not realize this, Minister. And the question that I have to ask you is: do you realize how insulting it is for people to watch their work on television when they are not being paid? How would you like it not to get your full pay cheque?

Some Hon. Members: Order!

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, we are now making structural changes to correct a vast number of problems we have identified in the cultural sector. When *Leméac*, a publishing company, went bankrupt, which government helped the creative arts? The Government of Canada, Mr. Speaker.

Tomorrow in Toronto, I will have the pleasure to announce increased revenues for Canadian writers under the public library utilization program, and that was arranged by this government, with the agreement of my colleagues and especially of the Prime Minister. And we intend to continue in that vein, Mr. Speaker.

* * *

[*English*]

MEMBER OF THE SENATE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, my question is directed to the Right Hon. Prime Minister, and I must say that I am sad to have to ask the Prime Minister this question. He will be aware from the press

reports this morning that Senator Cogger was found to be in breach of the Parliament of Canada Act. As a result of access to information, it was found that Senator Cogger was in clear contravention of the laws of Parliament by sending a bill to the Federal Business Development Bank for legal services.

The Prime Minister will be aware, very aware, that under section 14 of the Parliament of Canada Act, it is illegal for a senator to do business with a Crown corporation. Now that he has been informed of this act by Senator Cogger, has he done the right thing, the decent thing, and approached his friend and asked for his resignation?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the member is referring to reports alleging impropriety on the part of an hon. senator. That should be dealt with in the other place.

I understand that the hon. senator is making a statement, at this very moment, in the other place. I think that is the appropriate forum for that issue to be dealt with.

Mr. Riis: Mr. Speaker, since the Prime Minister essentially appoints the senators, I think it is only appropriate that he respond.

It was only after access to information that we were able to determine that Senator Cogger, in fact, had collected money from this Crown corporation. I hope we do not have to go and do an examination of every single Crown corporation to determine where else Senator Cogger was collecting funds.

Mr. Speaker: I want to proceed with very great care. What we have in front of us—and I ask hon. members to pay attention—is apparently something which has appeared in the newspaper. The hon. minister has said that the gentleman involved, who is a member of the other place, is making a statement this afternoon.

I am very reluctant to let questions go too far for fear they become, by way of their preamble, accusations to which there may or may not be any evidence whatever, and certainly, under the principles of fair play, if the hon. member of the Senate is going to make a statement this afternoon, that statement ought to be heard.

I would ask the hon. House Leader for the New Democratic Party, who is very experienced in this place, to proceed with very great care.

Mr. Riis: Mr. Speaker, I will proceed with very great care. I appreciate the comments that you have made.

The question is that this issue only arose after this information was provided through using access to information on this one Crown corporation. We do not want to go through every Crown corporation using the same process to find to what extent the senator has been involved.

I am asking the Prime Minister—

Mr. Speaker: I very much regret feeling that I am going to have to go on to the next questioner, because the preamble is becoming an allegation, at least it is an implied allegation and I think that the obligation of the Speaker in this place is to be extraordinarily careful.

I have said in the past that there has to be, and there is, a duty upon members to ask questions. But especially in this day of television a preamble can be very close to a charge, and there is another place to make a charge. There is, of course, instant publication of this. I think that somehow the Speaker has to find a way that respects fair play and, at the same time, allows questions to be asked.

There is another hon. minister here who is ultimately responsible for that particular Crown corporation. If the member wants to put a question to the minister with respect to the Crown corporation then I invite him to do so.

Mr. Riis: Mr. Speaker, I appreciate the sensitivity of this issue and I want to be very careful. I simply want to say that we will await the senator's comments in the other place and would expect, of course, that if the accusations are correct, that not only does he have a $200 fine per day to pay, which would be about $140,000 now, but we would expect the full amount to be paid back.

Mr. Speaker: What I am asking hon. members to respect is that if hon. members have charges to make there is an appropriate place to make them in this House. There are consequences that go with it. There may be more questions on this and I would ask hon. members to proceed with fairness and care.

The hon. member for York Centre.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have a question for the minister who you identified as being responsible, indeed, for the Federal Business Development Bank. I want, before asking, to underline that whatever happens in the other place, there is no doubt that ministers here have responsibility for the operations of the corporations under their jurisdiction.

[*Translation*]

My question for the Minister is as follows: Did he get in touch today with officials at the Federal Business Development Bank to find out whether this payment had been made, as indicated in information released by the government, which shows for instance that $72,000 was sent to this law office, attention of the senator? I would like to know whether the minister is prepared to ask the bank to recover these funds.

• (1430)

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, yes, I have been in contact with the Federal Business Development Bank and was informed that the Federal Business Development Bank has hired the law firm of Lapointe Rosenstein on many occasions going back over a couple of decades.

Mr. Kaplan: Mr. Speaker, the documents which that department released show that payments made to that firm of lawyers were made to the attention of Senator Cogger and there is no doubt about that, it is in the minister's own documents. Therefore, I am not satisfied that the answer the minister has given about what years and years of work may have been done by a firm. Is the minister looking this into and does he agree that these payments should be reclaimed by the Federal Business Development Bank?

Mr. Andre: Mr. Speaker, the Federal Business Development Bank representatives informed me that they made the decision to hire Lapointe Rosenstein on this occasion as they have on other occasions. They hire companies across the country. They received the work for which they contracted and they satisfied the invoices. I am not aware of any obligation on the Federal Business Development Bank to ascertain whether the invoice is properly filled out and so on. Those are the kinds of things that the member in the other place will perhaps be dealing with.

The responsibility that I have, that this government has, is did the Federal Business Development Bank conduct itself properly, did it hire a law firm to do legal business. Yes, it is a firm that it contacted with many times in the past. It received the services it contracted for.

* * *

PROPOSED GOODS AND SERVICES TAX

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Minister of National Revenue. In August, the President of the Treasury Board said that the personnel necessary to administer the goods and services tax would be provided as they became necessary but this will not result in further job reductions elsewhere in the public service.

Why then has the minister gone ahead and pulled 200 people so far out of other federal departments? How many more people does he intend to bleed off from other departments to implement the goods and services tax?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the letter the hon. member refers to written by the President of the Treasury Board stands. We are following the advice as outlined by the President of the Treasury Board.

I can say to the hon. member that within my own department obviously we are looking for existing resources to prepare for the administration of the GST. We are utilizing the people who are administering the very flawed existing federal sales tax. I think the hon. member opposite and all Canadians across the country would have to agree that it is very important for us to be able to utilize existing resources from a flawed sales tax in order to administer a far better sales tax.

Mrs. Catterall: Mr. Speaker, my supplementary question is for the same minister. People are being drawn from other departments, not only from his own department. Perhaps he might wish to clarify his answer. In fact, they are being offered positions. The President of the Treasury Board also said that he could not comment on either the costs or the staff needed to implement the GST. What he did say was that through supplementary estimates we will be seeking parliamentary approval for resources to develop detailed plans to implement the new tax.

Will the Minister of National Revenue then tell the House why he is going ahead and staffing a whole section from other departments to develop these detailed plans when he has no authority from Parliament to spend one cent, when the government has not even formally presented a bill to this House and when Parliament certainly has not approved the goods and services tax?

Mr. Jelinek: Mr. Speaker, the hon. member knows very well that my department and the government as a whole has been working toward a more efficient public service. We are very proud and Canadians have applauded us for being able to reduce the size of the civil service by 12,000 people over the last five years for the benefit of all Canadians. That is a mandate that we ran on five years ago. That is a mandate that we ran on one year ago. So far as the specific question is concerned I can assure the hon. member that we are applying our efforts in accordance with the letter written by the President of the Treasury Board to the letter and that we are utilizing, wherever possible, resources that exist within our department that are now administering the flawed federal sales tax in order to prepare for a smooth launch as we move toward the GST.

* * *

CANADIAN ARTISTS

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Waddell: I thank my colleagues over there for the applause, but if they could just send donations that would be—

My question is directed to the Prime Minister and is a follow-up on previous questions and the fact that the Minister of Communications has said that the performing artists who are here today have the support of the Prime Minister. I asked one of the artists, a well-known woman performer, if she were in my place and if she had to put a question, what question would she put. I put that question to the Prime Minister.

We know that the Prime Minister can sing, we know that the Prime Minister can act in a manner of speaking and we know that the Prime Minister thinks, at least, that he can direct. The artists want to know whether he can produce.

Some Hon. Members: Oh, oh!

Mr. Waddell: They want to know whether he can produce a timetable for phase two of the copyright legislation that these artists want and—I would ask him to answer this personally—whether he would give that his own personal support.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am surprised at the nasty question from my hon. friend. I have already sent my cheque in.

The question is, can I produce. That is a sexist question but I will answer it anyway.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Four kids and two majorities.

Some Hon. Members: Hear, hear!

Mr. Mulroney: With regard to the serious part of the question, and I take my hon. friend's question very seriously, I have had the occasion to meet personally on a number of occasions with many members of the artistic community who are promoting and have promoted the needs that my hon. friend has just described. I would not be violating any great secrecy if I conveyed to my hon. friend the fact that I have instructed the minister and his colleagues to make certain that this government proceeds as quickly as we can to ensure that those legitimate needs of the artistic community are met for the first time in Canada.

Mr. Waddell: Mr. Speaker, I thank the Right Hon. Prime Minister for his serious answer and for the cheque. I have not received it yet. Perhaps it has been detoured by way of the Senate or something like that. Perhaps it is in the mail.

I want to ask the Prime Minister whether he is aware, to follow that up, that the average income for a Canadian artist in Canada is about $8,000 a year and in Quebec, Le groupement des professionnels de la danse says that the average income for a dancer is $3,500 a year. For a choreographer, it is $1,500 a year. These Canadian artists are the lowest paid people now in Canada.

• (1440)

I ask the Minister of Communications or the Prime Minister, would the government go further and give us a timetable for phase two of the copyright law, and when?

Would it go even further and agree on principle to bring in status-of-the-artist legislation whereby artists could get properly treated in taxation and could get access to social services in Canada?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): I was able to meet Serge Turgeon, Diane Juster, Gilles Vigneault and other artists who worked on this initiative, which reflects the entirely legitimate desires of artists in Quebec and across Canada. In fact, there are even more on the anglophone side whom I met and who also met the Minister. The hon. member identified the purpose of these efforts. With the support of all members of this House, I am sure that in the near future, the Canadian government will be able to draft a bill and take steps that reflect these wishes, for the greater benefit of the Canadian arts community.

* * *

NORTHERN TAX BENEFITS

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Finance. The task force on northern allowances has recommended that deductions for northern workers who must travel for medical reasons be abolished. My question is as follows: Is the tax situation in Canada so bad that we have to skimp on travel for medical reasons for designated workers in the North, as opposed to trips made by Members of Parliament abroad for a parliamentary association or a Commons committee? Do you intend to approve this recommendation?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the hon. member knows, the government has established a task force to look at the question of northern allowances. That task force was manned by three individuals who live in northern communities and have some good understanding of the problems of living in northern communities. They worked for well over a year in preparing the task force report which was given to me last Friday.

Our position is that we want to review this report before making any decisions to try to understand better the reasons for the recommendations that the task force committee put forth in its report.

[*Translation*]

AIR TRANSPORT

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is directed to the Minister of Transport. Yesterday, the minister stated, and I quote:

> Intair couldn't get the slots it wanted at Pearson International Airport because it was too late with its application.

Does the minister now realize he was misinformed and that Intair was in fact one of the first companies to apply for slots under the winter schedule, and that Canadian Airlines and Air Canada, who co-ordinate the terminals at Pearson, blocked these applications? Consequently, is the minister prepared to intervene and give this small regional carrier fair treatment?

Hon. Benoît Bouchard (Minister of Transport): First of all, Mr. Speaker, I would like to correct the Hon. Member. Intair could not have applied for slots in Toronto in June, since the company did not exist at the time, and in fact was only established this month. The application was made by Inter-Canadian. The flights were operated by the company today known as Intair. Twenty-nine of the thirty-eight applications were approved. Four were eliminated because there were no slots, and the other five are now being negotiated.

So what I said yesterday, and I say it again today, is that as everybody knows, the airport in Toronto is extremely congested, and the number of landing opportunities is limited. We have tried to accommodate all the companies at Toronto, but it is clear, Mr. Speaker, that generally speaking the minister does not and will not intervene in a process that is meant to achieve a balance between the various airlines. Again, a final answer regarding the five slots that are still being negotiated will be given by a committee a week from now, while both companies have been asked to reach some kind of agreement. The minister did not intervene in Saint-Hubert to avoid interfering with the process, and he will not intervene in Toronto for the same reason, Mr. Speaker.

Mr. Ouellet: The minister's answer is very disturbing because in fact, when the Conservative government passed the bill deregulating air transport, we were told that it would increase competition and enable new small airlines to have access to airports. Now the exact opposite is happening. Air Canada and Canadian Airlines are dividing the market between them and elimi-nating all

competition. Is the minister aware that it now costs $371.40 to fly from Montreal to Toronto and back in economy class, which is twice as much as a trip to Boston and about the same as a trip to Europe? Will the minister act to put a stop to this abuse by the two giants of Canada's aviation industry?

Mr. Bouchard (Roberval): Mr. Speaker, first of all, my colleague knows very well that throughout the country, from Vancouver to St. John's, Newfoundland, accessibility is three or four times greater, in terms of number of airlines and flights offered to Canadians.

As for cost, Mr. Speaker, all these airlines offer competitive prices compared to other modes of transport, so that in the past three years and since deregulation, Canadians do 30, 40, even 50 per cent of their traveling by air. My colleague himself told me that the Toronto airport is overcrowded. Surely that is because Canadians like to go by plane, Mr. Speaker.

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[*English*]

AGRICULTURE

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my question is for the part-time Minister of Agriculture. I note the minister has recently confessed about the effects the free trade agreement will have on Canadian farmers and Canadian-American trade relations. He said in a recent speech in Alberta that Canadians were being subjected to American trade policies which were "wrong, unfair and hypocritical".

Given this new-found friendship with the truth, will the minister now admit to Canadians that we do not have the access to the American market that he claimed we had during the past election?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I find it strange that the hon. member would take issue with the Minister of Agriculture of Canada standing up for Canadian farmers, and that is exactly what I have been doing.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Notwithstanding the fact that there are some irritations from time to time which we have to defend, and will defend, I would draw his attention to the *Financial Post* of October 18 which states in the headline "Canada is reaping benefits from the trade deal, U.S. figures show". That should be proof positive that the trade deal is working for Canada.

Mr. Speller: Mr. Speaker, I do not know if his buddies at the *Financial Post* know anything about Canadian agriculture.

My supplementary question is also for the Deputy Prime Minister. The minister stated in the same speech that the Americans want to play rough, and that if Americans want to play rough, then Canadians will have to do the same.

What is the minister saying here? Since the minister has realized that his government signed a bad deal, is he now admitting to Canadians that the only remaining alternative is to have a trade war with the Americans? What effect does he think this trade war will have on Canadian farming?

Mr. Mazankowski: I must say, Mr. Speaker, I would rather take my cue from the *Financial Post*, which does a pretty good statistical job of evaluating agriculture trade, than from the part-time critic sitting across the way.

Some Hon. Members: Hear, hear!

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NORTHERN TAX ALLOWANCE

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Minister of Finance. Earlier in this Question Period in answer to a question he said he would wait to find out what the reasons were for the report of the task force on northern benefits before he made any decisions. I want to submit to him that the reason the task force came down the way it did is because he changed the rules in midstream.

• (1450)

On April 29, 1988, the Minister of Finance, in establishing the task force, said in his terms of reference that any changes should be "essentially revenue neutral". On May 26 of this year, after all the northerners had made their presentations to the task force, he changed the

rules. He said that the changes must reflect "federal budget restraints".

Over 2,693 communities are being cut off from northern benefits. My question is, does the minister think it is fair to change the rules after each and every northern community had a chance to present recommendations based on the rules he had made earlier?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me just correct what the hon. member said in repeating what I had said. I said I wanted to consider the recommendations of the task force report before making any recommendation to the government as to what decision we should take in relation to that report. The hon. member is quite right, we did change the terms of reference at the request of the task force members themselves because they found it difficult to arrive at an equitable borderline, an equitable means of assessing which people should be eligible for the northern allowance and which should not. It was because of the difficulty in arriving at an appropriate borderline that the request was adhered to.

Mr. Murphy: Mr. Speaker, the proposal is no longer revenue neutral. It is a tax grab that is going to affect thousands and thousands of Canadians in northern Canada. Since this same minister has said that his goods and services tax is also supposed to be revenue neutral, how can he expect all Canadians to trust him when he has already betrayed northerners by changing the rules after the hearings?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let us revert to the establishment of the task force. The task force was established because the qualification criteria that were in place were creating a large number of inequities between people who found they were eligible and others living within a few kilometres who found that they were ineligible for the northern and isolated post benefits. It was on that basis, to try to find some equity in the qualification criteria, that the task force was created.

If the hon. member will refer to the report, he will find that the task force members who, as I pointed out in my earlier response, all live in isolated communities themselves, set out the reasons why their criteria have been proposed. I would suggest that my honourable colleague, as well as the government, review the reasons and try to understand those gentlemen who spent a good amount of time visiting many, many communities across northern Canada to listen to people and try to understand the problems before they came up with the recommendations in the task force report.

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AGRICULTURE

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, with all due respect to the Opposition, yesterday and today this House heard little substance, few constructive suggestions if any at all and a lot of rhetoric from our colleagues opposite on the state of Canadian agriculture. My question is directed to the Minister of Agriculture. Can he tell this House what he and the government intend to do to continue to support and enhance the situation of Canadian farmers in response to recent U.S. trade actions?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I must say that I share the hon. member's view that there is very little in a positive sense emanating from across the way that would enhance agriculture trade for Canadian interests.

The Prime Minister about three years ago decided that it was important to bring agriculture to the top of the agenda in international fora, whether it be at the GATT or whether it be at the multilateral trade negotiations, to redress the debilitating trade-distorting subsidies that were killing Canadian agriculture.

There have been a number of initiatives taken since that time, including the discussions at the MTN where we are pursuing Canadian interests and attempting to strengthen and broaden Article 11 under which the supply-management system exists. With respect to the issue of the pork countervail, thanks to the free trade agreement, we now have an objective binational dispute-resolving mechanism that can deal with this thing in an effective way. With respect to Durum, we only have to remind Americans that they are not free of sin when it comes to subsidies. By virtue of the fact of their actions, the export enhancement programs and the subsidies, they in fact are driving down the price of grain and we are asking them to cease and desist that practice.

NATIONAL DEFENCE

Mr. Joe McGuire (Egmont): Mr. Speaker, my question is for the Prime Minister. As a result of the recommendations of a royal commission report which came out of the *Ocean Ranger* disaster, a national search and rescue secretariat was announced on April 15, 1986. This secretariat was to be "an independent body responsible and accountable for a national search and rescue program under a lead minister with no conflict of interest in supplying search and rescue services".

In view of this directive, how can the Prime Minister justify having the same minister responsible for both the search and rescue service and the secretariat? Clearly there is a conflict of interest and clearly there has been no consultation with the secretariat before the move of the 413th squadron to CFB Greenwood.

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the NSS, which reports directly to the Minister of National Defence, does just that. It reports directly. There are two other departments involved in search and rescue in Canada, as I am sure the hon. member is aware, the Department of Transport, with coast guard responsibilities, the Department of National Defence which augment those responsibilities of the Canadian coast guard and provide additional support. The national search secretariat provides direct information to the minister responsible. In this case, it happens to be the Minister of National Defence.

There is also an interdepartmental committee of government agencies to which search and rescue recommendations are provided, and those recommendations are then communicated to the lead minister.

Mr. McGuire: Mr. Speaker, all I can say to the minister is the lives that were lost in the *Ocean Ranger* disaster will appear to have been lost in vain if this government refuses to follow the recommendations made to it to prevent any such accidents from happening in the future.

I have a supplementary question for the Minister of Employment and Immigration. The minister has been to Summerside and she has seen first-hand the impact the impending closure is going to have there. The town is suffering economically and emotionally. After six months of fighting, the people do not see any light at the end of the tunnel. The minister has all the recommendations from the joint federal-provincial committee, and all of the reports. A significant federal presence is required there—

Mr. Speaker: I would ask the hon. member to put his question.

Mr. McGuire: Can the minister tell us what the committee is doing at present, and will she be making an announcement this week as to what will be replacing CFB Summerside?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, certainly my visit to Summerside was a very useful one. I was very impressed with the eloquence of people in the community who are not just looking to the government for support in this but are also looking at plans that they can develop themselves.

We have two people who are continuing to work with the task forces because this is an ongoing job. We are looking at both private sector and public sector alternatives, as I made clear to them. I will be making recommendations to the Prime Minister because we do care very much about the future of Summerside and we are going to come up with some answers.

Mr. Speaker: A single question from the hon. member from Glengary—Prescott—Russell and a single question from the hon. member from Thunder Bay—Atikokan.

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FEDERAL BUSINESS DEVELOPMENT BANK

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the minister responsible for the Federal Business Development Bank and it concerns the administration of the Federal Business Development Bank.

I want to know from the minister why the Federal Business Development Bank paid an invoice when Article 14 of the Parliament of Canada Act says that no person who is a member of the Senate shall directly or indirectly, knowingly and wilfully, be party to a concern in any contract under which the public money of Canada is to be paid. I want to know why that invoice was paid to Senator Cogger when he has just admitted in the other

house, and I quote: "I have in some instances signed the covering letters accompanying such bills for fees".

• (1500)

He admitted signing a bill, sending it to an agency of the government, and the government paid it against its own laws. Why did the government break the law?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, all of the invoices sent to the FBDB and from Lapointe Rosenstein were from Lapointe Rosenstein. All of the cheques written in respect to those invoices were written to Lapointe Rosenstein, the legal firm that did the contract.

The hon. member asked about a covering letter. With the invoices that were sent from Lapointe Rosenstein, as admitted in the other place, Senator Cogger apparently wrote a couple of the covering letters. Other lawyers in the firm wrote other covering letters. FBDB received legal services from Lapointe Rosenstein and wrote cheques to Lapointe Rosenstein in response to the invoices for those legal services.

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VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Right Hon. Prime Minister. As he knows, the transport committee has been studying the government's plans for VIA Rail. This morning the committee was told by the director general of surface policy and programs for Transport Canada that not only were the staff who conducted the initial environmental assessment not trained in environmental matters, but in fact they did not do an assessment of the increased pollution that would be put into the environment as a result of people moving from VIA Rail to automobiles.

Given that revealing bit of information that no such study was done, will the Prime Minister now indicate that a moratorium has been placed on the changes to VIA Rail until such time as both the royal commission has reported and a full environmental assessment has been done on this vital part of Canadian institutions?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the answer has not changed because the Prime Minister is here. It is exactly as we have been saying. The deputy minister said this morning that, as we would for any department, we would have done a preliminary study on the environment if it had been necessary at the time, in consultation with the Department of the Environment. That is what he said. He also stated that if it becomes necessary and is requested by the Department of the Environment, we will move to a full environmental assessment. We did not because it was not necessary. Again I repeat, there is no necessity to put a moratorium in place.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—THE ENVIRONMENT

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

> That this House calls upon the Government to implement an ecologically sound "green" tax system.

Mr. Murphy: Mr. Speaker, I rise on a point of order. Normally on an opposition day there is an agreement among the three parties that each party can use its time as it wishes; for example, either having one 20-minute speech and a 10-minute question and answer period or two 10-minute speeches, each followed by a 5-minute question and answer period. I would ask the unanimous approval of the House to do this for the remainder of the day.

The Acting Speaker (Mr. Paproski): Is it so agreed? The hon. member for Ottawa—Vanier.

Mr. Gauthier: Yes, Mr. Speaker, with the understanding that those who address the House will give notice before they start their speeches what period of time they intend to use for their speeches.

Mr. Cooper: Mr. Speaker, I want to signal once again our willingness to co-operate with the opposition on a day that is theirs. I would also ask at the same time that they consider in the future giving us the same consideration when we would like to get a number of speakers on government bills.

Mr. Murphy: Mr. Speaker, before I respond to the parliamentary secretary's request, I would like to indicate to the Liberal Whip that it is our intention to have the member for Yorkton—Melville not take 20 minutes, that he would finish his speech with one more minute of

debate and then we would go to the member for Thunder Bay—Atikokan for another 10-minute speech.

In response to the parliamentary secretary's request that more Conservative members get up in the House, we certainly would welcome them speaking on a number of the bills.

If they wanted to speak on the UI bill, we would let them. If they wanted to speak on tax reform, we would let them. If they wanted to talk about the clawback, we would let them speak.

Mr. Parent: Mr. Speaker, I wonder if you could direct the House as to whether or not, after his or her speech when we ask questions of the speaker, supplementary questions are ever allowed, or does the intervener simply have one question?

The Acting Speaker (Mr. Paproski): We will allow supplementary questions if nobody else gets up in the chamber.

I think it is agreed that the hon. member for Yorkton—Melville will have another two minutes left in his speech, plus five minutes for questions and comments.

Mr. Nystrom: Mr. Speaker, in conclusion I want to ask the House to think very seriously about the idea of a special task force or a parliamentary committee to look at changing our taxation system so that a very important part of that system is what we call the greening of Canada or the greening of the planet. We need a system of sticks and carrots that will motivate not only corporations, but also individuals, to consume and produce products that are going to be of benefit to the environment of Canada. I think we should be doing that.

There is so much we can do with the tax system in this country in terms of the kind of country we want. If we are to have incentives to keep this country cleaner and penalties to make sure that industry does not pollute our rivers, our lakes and our air, I think we would all be better off for it.

It is a new idea being pushed by the member for Skeena that we should have a very important principle in our taxation system namely, that we have the eco-tax or the green tax. I think it is something that we should study. I am sure that we can get all three parties looking very seriously at the problem, and perhaps we can make a very important change that would be as important in principle as the principle of ability to pay or of making sure that our taxation is not regressive but progressive.

Let us take a look at that in our taxation system.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to participate in this debate today. I want to focus my comments for the next 10 minutes on the impact of an ecologically sound green tax system on transportation because, in this vast country of ours, no policy that we develop should be in isolation of transportation.

We and my colleague from Regina-Lumsden in particular, who has fought this battle for many, many years, have talked about and believe in the concept of a transportation system that is interconnected, a multi-modal system wherein you maximize each of the modes of travel to the extent possible within the geographic realities, but more importantly in the context of this debate, in terms of environmental realities and in terms of the use of fossil fuels and other forms of fuel.

Just a few moments ago in this House I raised a question about the environmental impact of the cuts to VIA Rail. We were told this morning by the officials of the department, the person who is in charge of surface transportation, that the seven-page initial environmental assessment that was conducted by the Department of Transport, by her and a gentleman who comes from the economics branch of transport—we have a transportation specialist and an economic specialist deciding on environmental matters. It is like the Minister of Finance making decisions about VIA Rail and transportation matters. But we will come back to that at another point.

First of all, they did say that x number of people will be shifted from the rail passenger mode, which is one of the most environmentally friendly modes of travel, particularly in terms of the large scale movement of people within a country, to see what the impact would be. They know how many people will take their car rather than the train, and how many people will get on a bus or how many people will get on a plane. But what they did not do is to then quantify that. If we have one million more car trips per year, which is what they are suggesting it will be the result of their decision on VIA Rail, although even that is in dispute, that means one million more cars

driving probably an average of 250 kilometres which I think is the suggested norm.

• (1510)

Mr. McDermid: No, it doesn't.

Mr. Angus: I am not talking about one million new cars, I am not talking about trips that would not have otherwise occurred. But what they did not do was the next logical step. In any environmental assessment the most logical step is to measure the impact on the environment. How many more kilograms or kilotonnes of nitrous oxide or carbon dioxide would be emitted in the atmosphere? They did not do that, Mr. Speaker. They just said that one million more car trips, really will not have much of an impact so let's not bother doing a full environmental assessment. Part of the reason why we of the New Democratic Party put forward this motion today is to make the point that we have to treat our world a lot better than we are now.

Any kind of government policy, in this case on taxation, but also on transportation, should have as its uppermost concern the impact on the environment. Let us hope it is in terms of how we can lessen the impact on the environment, not how we can add more like this decision on VIA Rail has done. In this great country of ours, which is such a vast magnificent land, many people live in a very narrow corridor next to the Canada-U.S. border, with some fingers of development in the northern territories. In northwestern Ontario we have had to build around Lake Superior and the Great Lakes in order to get from east to west. We need an integrated system.

It does not make sense for people to be flying from Toronto to Ottawa or Toronto to Montreal, or Montreal to Ottawa when for substantially less money, fuel and land, and much less pollution, we could be using high speed electrified rapid transit between those main communities. Given the congestion of Pearson International Airport, which is not going to be solved by a new terminal, it will be quicker, downtown to downtown, to travel by rail between these cities. Think of the atmosphere, Mr. Speaker. I know that you travel on the trains from time to time. Consider how much easier it is to do business in that particular corridor with the high-tech we now have. On the train we can use cellular phones and have a desk away from home, so to speak. You arrive in a much less frazzled state. We can do with that kind of thing.

It makes sense in some of the regions of the country to use rail, to link Thunder Bay and Dryden for example, or Cape Breton and Halifax, rather than air for these short distances. There are many options for environmentally friendly forms of transport.

That is on the passenger side. What about the freight side? As a country we have to be able to move both raw materials and finished goods. Right now we do it on the basis that because of the high cost of transportation, those people who are farther away will pay more.

From an economic standpoint, dare I say it, we could change a couple of policies and follow the lead of the private sector. Some of the major department stores have what they call a regional pricing policy. We all get the fliers from Sears or Eatons and see that a fridge in Thunder Bay is priced the same as the one in Toronto. We have done it with beer in Ontario. We do it with milk in other provinces. We are required, by the company policy, to include transportation costs in the over-all price so it becomes part of their cost of doing business. Therefore, it is averaged out so that that fridge can be sold in every community at the same price.

One might ask what that has to do with an environmental tax. It has everything to do with it. We are crowding so many people into the golden horseshoe of southern Ontario, mainly because that is where the markets are, the people buy the finished goods. Therefore it makes sense, given the Canadian economy as it is structured now, to locate the plants there. So that means more people come to the golden horseshoe to work and therefore create more demand, and on and on and on. A transportation policy should reflect the environment and land use planning. We so often forget that land use planning is an important environmental consideration.

I listened with interest to an open line CBC program last week on which a well known author, who is also a farmer, was talking about the impact of the paving over of the agricultural land in southern Ontario. That by itself reduces the emissions of oxygen into the atmosphere, the ability of this planet to recycle its air, to clean it and to put it back out in a form that is suitable for human beings.

We could mix all these together and have an environmental tax system under which there is no tax or lesser tax on environmentally friendly things. For example, what if we exempted bicycles from sales taxes, from manufacturers taxes, to lower their price so that more

and more people could afford to use that extremely non-polluting form of transportation? We could electrify. The reality in this country is that by themselves CN or CP or VIA Rail, whatever is left of it by the time this government is finished, on their own cannot justify electrification because of the high up-front costs, but if the government was to do it we would not only save in the environment, we would save in terms of fossil fuels and we would promote a healthier planet.

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, with each passing day Canadians are more aware of and concerned with the state of the environment. More and more they realize that life on earth is predicated upon a delicate and complex fabric of ecologic systems. As humans we are at the same time a product of that environment, a major cause of its present state and a determining element of its future evolution. Each calory of energy used, each ton of mineral mined and processed by our technologies, each crop planted and harvested impacts in some way on the environment. From time immemorial the earth has provided the basic ingredients that are essential to life, namely air, water, food and heat. Those resources also are a global environment capital drawn upon by every economic activity, every development project. And, perhaps more importantly still, the earth sets the natural limits of economic development and life itself.

Mr. Speaker, it would be a total delusion to believe that we can escape environmental features and processes that are quite independent from human actions. The bottom line is that nature deals the cards and establishes the rules of the game.

[*English*]

In the last few generations the capacity of man to alter the global ecosystem has increased dramatically with increases in population and rapid advances in technology. World economic activity, for example, has increased 20-fold since 1900. As a result, many of man's activities are taxing the capacities of our global ecosystem beyond its limits. Each year we dump five billion tonnes of CO2 in the atmosphere, consume 40 per cent of the planet's biomass and the amount of fossil fuel it took the planet about one million years to create.

While global economic activity has expanded rapidly and living standards have improved enormously in the developed world, global poverty and population growth remain a fundamental problem. Global population is projected to double by 2050. Eight-five per cent of this will join the majority of the world's population which lives in poverty today and aspires to a better quality of life. Whether the global economy and the global environment can accommodate these hopes is perhaps the greatest challenge of our time.

• (1520)

Without a systematic framework for addressing these stresses, it is unlikely to be any relief for our global ecosystem. As the 21st century approaches, the outlook is for more and more demands on our planet's environmental resources as the global economic system seeks to meet the needs and aspirations of the growing world population. This will put at risk not only the capacity of our planet to sustain economic growth, but its capacity to sustain life. Future generations will pay dearly if we do not act now.

[*Translation*]

Mr. Speaker, when thus describing our environmental problems, one might think they are far remote from concerns of the Canadian people and that individual efforts are futile. However, neither perception is true. The problems that directly concern Canadians, for instance air pollution in our cities, Great Lakes water quality, climatic changes, ozone layer depletion, all those problems are symptomatic of larger problems deriving from the complex process of environmental interactions at the continental or global level.

It is equally erroneous to believe we are powerless as individuals. The way we use the natural environment is the result of countless day-to-day decisions made by individuals, corporations and governments. Whether this involves setting the thermostat and deciding how to use water or dispose of household garbage, managing effluents or building new industrial facilities or determining government economic policy, all those decisions have a cumulative impact on the environment. If the global environment today is threatened, it is because in making

those decisions we failed to consider the costs of pollution to the environment and our environmental heritage. Indeed, we treated the environment as a gift of nature.

[*English*]

We have not been blind to the need for action. There have been some important successes in dealing with pollution problems. Through the combined actions of individuals, corporations, interest groups and governments, sulphur dioxide emissions in Canada have fallen by almost 50 per cent since 1974, while lead levels have fallen by over 50 per cent. In many cases, however, these responses tended to be reactions to a crisis or problem situation, sometimes focusing entirely on clean-up. More than ever we realize the need to anticipate a problem and prevent its occurrence.

What is needed to cope with our emergency environmental challenges is not more rhetoric, not meaningless resolutions. What is needed is a fundamental change in the way we make decisions at all levels of society. We must begin to integrate environmental considerations into the day-to-day decisions we make as individuals, as corporations, and as governments. We must begin to treat the environment like the scarce and unique resource that it is; an ecosystem that is essential to the sustainability of development and life itself. This is what sustainable development is all about, changing behaviour, changing the way we see the environment, and its relationship to our activities. And that is how we will move from a reliance on reactive solutions to preventive solutions.

Each of us has a responsibility and a role as a decision-maker in changing behaviour and the behaviour of those around us. Globally, Canada has a responsibility as a steward of a significant fraction of the world's environmental resources and as a source of global ecosystem stress. This means we must look to a response that is both domestic and international in scope and demonstrates much needed leadership. Individuals, businesses, and governments have an important stewardship role as property owners and users of environmental resources.

[*Translation*]

However, governments bear an additional responsibility. A good part of the natural resources used by our economy are outside the market system and therefore considered a free product or service.

Normal market forces do not provide sufficient incentive to make environmentally sound decisions. Since the market is not able to provide a decision-making framework for responsible measures—

[*English*]

The Acting Speaker (Mr. Paproski): On a point of order, the hon. member for Hamilton East.

Ms. Copps: Mr. Speaker, on the most important issue on the government's agenda there are only two government members here. We lack a quorum.

The Acting Speaker (Mr. Paproski): Call in the members.

And the bells having rung:

The Acting Speaker (Mr. Paproski): I now see a quorum. Resuming debate, the hon. minister still has two minutes left in his speech.

[*Translation*]

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, Canadians expect the federal government to play a leading role on the environment. The government is meeting this challenge eagerly, and, in the spirit I announced several weeks ago, the government is now preparing an environmental action plan for Canada consisting of a national framework for implementing sustainable development.

Mr. Speaker, we know that the environment is a "hot" issue, a subject of concern in Canada and throughout the world. We know that governments are forced to react to the situation.

That is why the government decided several months ago now to task my department and all those departments represented on the environment committee with preparing a comprehensive environmental action plan for the next five years. We all know that we need comprehensive policies, additional measures and more resources.

Mr. Speaker, I shall vote against the motion before us, not because I believe that the government does not need

more resources: I do believe we need more. But, Mr. Speaker, I believe that the concept of an extra tax for the environment must be part of an approach that includes new environmental policies with new fiscal policies and harmonizes them, and that it must be perceived as such. All this will be in the action plan that will be presented to the government and made public in the spring.

• (1530)

[*English*]

Mr. Fulton: Mr. Speaker, I listened with care to the remarks of the minister. It seems to me that he is hedging. He is not saying that he is opposed or that the government is opposed to a green tax system. It is a bit of a wait and see attitude.

As the minister knows, many countries around the world and very much across Europe have already introduced carbon taxes. They have already been introduced in Japan. Many of these green system taxes have been demonstrated to be highly beneficial. Not only do you reduce your energy consumption, but at the same time you are reducing the amount of pollution and in fact you are creating commodities. You are creating jobs at a much faster rate than under our existing archaic tax system.

I would just like to get clarification from the minister. Does he think that the approach being taken by his colleague, the Minister of Finance, in applying the new proposed 9 per cent GST to recycled paper at the same rate as to virgin paper is environmentally appropriate? I think the minister knows that a green tax system can be put to a wide range of uses, whether it is on recycled paper, on bicycles versus automobiles, or on canoes versus motor boats, or whatever. It will make for a cleaner environment, lower costs, lower energy use, less pollution, and full employment.

What kind of a recipe would any government be looking for that would bring in a more regressive form of taxation, self–admitted by the Minister of Finance, when other countries around the world have picked up and cobbled together different pieces of a green tax system? Does the minister not really want to stand up today and say he supports a green tax system, that now is the time to bring it in, and that we cannot wait any longer?

Mr. Bouchard (Lac–Saint–Jean): Mr. Speaker, taxes will always be needed for one main purpose—to raise money. The government needs money. The reason for which governments have been created is to pool the resources of a nation in order to address the national and global problems of a nation.

This being said, we in this government think that we now have a new challenge in front of us, an international challenge, a national challenge. This challenge will call for new and additional resources. The problem is of such a magnitude that it will require the government to devise new fiscal policies. The GST question has no direct link with what we are doing in environment. GST is there to rationalize the way taxes are raised in Canada. This must be done. This has been the objective of our government. No government before has had the courage to do it. We had this courage because we think it is necessary. We did not do it to be popular. We did it because we think it is our duty.

Apart from that, we think we need more money for the environment. The way to raise that money is not necessarily something to do with one more tax. It is something to do with the framework of a new approach wherein, as the member has very eloquently said, we have to mesh the environmental purpose and the money raising purpose. This can be done. I am sure it will be done.

Ms. Copps: Mr. Speaker, I would like to ask the minister a question. Given his concerns rightfully expressed about global warming, why has his government cut energy efficiency research and development grants and programs by 91 per cent?

[*Translation*]

Mr. Bouchard (Lac–Saint–Jean): It is a matter of philosophy, a matter of perception of what the problem is. This government does not believe that all the money spent on the environment must come from the public purse.

Recently, I had the opportunity to announce the creation of a fund to clean up orphan sites. One of the main conditions is that provinces must, in return, implement a legislative and regulatory mechanism in order to make it compulsory for companies to clean up 950 other sites. I give that example to show that the money will not come exclusively from new taxes and energy consumption measures, but also from the application of the polluter pays principle.

So it is obvious that, in our action plan, there will be a very strong emphasis on energy conservation measures, but energy conservation does not create energy. Obviously, that is where we must start, and that is exactly

what we will do. As we look at possible ways to conserve energy, we must also find ways to create energy.

[*English*]

Mr. Lee Clark (Brandon—Souris) Mr. Speaker, I am pleased to have the opportunity to participate in today's debate, particularly with respect to the fact that daily we are becoming increasingly aware of the deteriorating nature of the environment. There are front page stories and television news items. Literally Canadians and other people around the world are being bombarded with a litany of old problems getting worse and new problems becoming more evident.

There have been tremendous implications for us as a government and as a country in terms of our domestic policy and with respect to our international relations with other nations and other governments. Later on this afternoon my colleague, the hon. member for Fredericton—York—Sunbury, will be speaking with respect to some of the matters to which the Government of Canada has responded *vis-à-vis* domestic policy.

I would like to look for a while this afternoon at some of the very, very important developments which have occurred in international arenas. To a very real extent the crisis of the environment is a global crisis, and the solutions must be found both outside our boundaries as well as inside.

As you know very well, Mr. Speaker, the United Nations-sponsored Brundtland commission issued a new agenda just a short time ago saying that the planet needs "a new era of environmentally sound economic development". That report said from now on—and I think most governments including ours have echoed that conclusion—we must have policies and economic positions based upon the concept of sustainable development. We must ensure that in future environmental decisions are a first thought in the decision-making process rather than an afterthought as they were all too often in the past.

We must change, as the Minister of the Environment said just the other day. We will have to tailor and change our lifestyles to fit the ecological realities of this new world in which we live. It may affect the way in which we grow food, harvest trees and generate power. We will obviously have to reduce the pollution that changes the atmosphere and endangers our food and water supplies. We will have to protect our all too critical resources such as the farm land, the forests and the wildlife from overuse.

I come from Brandon—Souris in the province of Manitoba. We are all too aware of the fact that we have had drought for two years in succession. There is a growing amount of concern that it might be one of the first results of global warming.

We must favour types of economic development which fall within this planet's ability to absorb our wastes and to renew its resources. To do that we will have to link economic decisions and environmental impacts, whether we are making household purchases, industrial development decisions or forming government policy at the federal, provincial or the municipal level.

The question before us, however, is not whether the Government of Canada is prepared to respond to the key environmental problems that we face either as Canadians or as citizens of the world, which clearly we are. The question before us is whether or not we are simply prepared to put our eggs in one basket, in this case the basket of the so-called green tax, or whether we believe that we must develop a comprehensive national strategy in order to address all aspects of environmental issues.

We believe that there must be that comprehensive action plan to which the minister has alluded. We have given notice of our intention to act. We have indicated our willingness to translate the concept of sustainable development into concrete reality.

I think Canadians understand that some of the most compelling of the problems facing us are global, transboundary. We as a government understand therefore that we are going to resolve the problems, whether they be with respect to the depletion of the ozone layer, global warming or acid rain; that we are going to have to secure the co-operation of governments outside our own country.

I am proud of the activity that has occurred in recent years in which Canada has played an integral part. For example, we were the first nation to ratify the Vienna Convention for the protection of the ozone layer. This government took a lead role in developing and adopting

the Montreal Protocol on substances that deplete the ozone layer.

• (1540)

I was proud, if I may say so, as an individual member of Parliament to head our delegation to the Helsinki Convention last May where the nations of the world took further steps, recognizing that the Montreal Protocol in itself would be inadequate to rectify the crisis facing the ozone layer.

We agreed in Montreal to a partial reduction of chlorofluorocarbons by the year 2000. We as a government and other governments throughout the world now understand that there must be a total ban on the use of CFCs by 1999 or earlier.

In 1988 Canada hosted the Toronto Conference on the Changing Atmosphere, an important international conference with real implications for global security. In February of this year we followed that with a meeting of legal and policy experts where we developed proposals for a convention for the protection of the atmosphere. These initiatives have placed Canada in the foreground of international environmental diplomacy.

The Canada–United States Great Lakes Water Quality Agreement was renewed in November of 1987, providing stronger control over toxic substances entering the Great Lakes. Fulfilling a promise made in the Speech from the Throne the minister announced just recently $125 million as part of the five-year Great Lakes action plan.

Although we understand that the action plan is going to require the co-operation of provincial and municipal governments and industry if that cesspool, if one can use that term, of the Great Lakes is to be clean, what was announced just recently by the federal government was an important first step. It will have to be one of many.

Canada signed the Basel Convention which puts in place an international regime to govern the transboundary movement of hazardous wastes. This will prevent in the future the embarrassing situation of hazardous wastes being dumped as we have seen in the past in developing countries.

More recently, the Commonwealth heads of government issued a strong endorsement of sustainable development. These accomplishments demonstrate our commitment to the environment. I believe we have been among world leaders in reducing threats to global environment.

Over the past 10 years, however, probably no single issue has been more important to Canadians with respect to international consequences than acid rain. The progress this government has made in that regard demonstrates our commitment to reducing the problem of acid rain and our commitment to ensuring better air quality for Canadians today, tomorrow and in the future.

Mr. Speaker, if you remember in 1984 there were no specific emission controls in place. Funding for vital acid rain research was about to lapse. Emission standards for new cars and trucks had not been changed for almost 10 years. Significant amounts of lead were still being used in gasoline in Canada.

Since 1984 we have reached an agreement with the seven most easterly provinces with respect to reduction of sulphur dioxide emissions. Those emissions have been reduced by some 40 per cent now, and it is clear that we will reach our objective of 50 per cent by 1994.

Loans have been made available to large emissions sources, to companies such as Noranda which have met their objectives for the reduction of sulphur dioxide emission reductions. Funds have been made available to assist in the development of new technologies.

Reduced allowable emissions from automobiles have been changed on two different occasions—in 1987 and in a very important agreement in Charlottetown last week where it was agreed we would adopt California standards by 1994. A decision was also made to eliminate the use of lead in gasoline by 1990 and to increase the excise tax on leaded gasoline in the meantime.

All these instances, plus a continuing effort on the part of Canada to work closer together with the United States to ensure that acid rain will be reduced, are evidence of first the recognition on the part of this government that the threat to our environment is global in nature and will require the co-operation of international governments, and that the federal government must work closely together with the provinces. We must come up with a long needed and much overdue comprehensive action plan of which perhaps the proposal that is

before us today may indeed be a part. I would not be able to anticipate that.

Certainly what I think is evident is that to preserve the environment from some of the dangers that we have so readily inflicted in the past and to ensure that the damages are reduced in the future requires a comprehensive and co-operative approach in which I hope all members of this House as well as all governments in Canada will participate. I hope the end result we see will be a better environment for our children, our grandchildren, and their children and grandchildren.

Ms. Copps: Mr. Speaker, I would like to ask the hon. member whether he believes that pollution control devices should be subject to the goods and services tax.

Mr. Clark (Brandon—Souris): Mr. Speaker, I think, as all members of this House know, the proposed goods and services tax is a long overdue response on the part of this government to the inadequacies of a manufacturers' sales tax which has been in place in Canada since 1924.

If I understand correctly when members on that side of the House in the Official Opposition had responsibility for government, which they did for many years, they looked on occasion at the possible abolition of the manufacturers' sales tax but, for whatever reason they chose, they decided not to proceed.

What the government is proposing today with the goods and services tax is something which is obviously not politically advantageous to us. I may say that sometimes I often hear from constituents who say to me as a politician, to the government of which I am a part: "Why do you not take tough decisions? Why do you not provide the kind of leadership which Canadians are seeking?"

I would suggest to you, Mr. Speaker, and to the hon. member that the proposed goods and services tax is clearly an example of a government deciding that it must act in the interests of the nation as a whole.

All the polls tell us that what we propose is clearly not done in order to incur political favour. You need not be a political scientist to know, when you look at the statistics, that Canadians like other people throughout the world do not enjoy either new taxes. Nor do they enjoy direct taxes that are highly visible. I see in the goods and services tax an attempt to rectify an old problem, one that has been here in Canada, one that has not worked well since 1924.

Speaking in general terms some 75,000 businesses have been affected by that tax. There are some 22,000 different tax arrangements. There is an estimated $2 billion in tax revenue that legally belongs to the Government of Canada that is not being collected.

I would suggest that we take that $2 billion, assuming we could collect it now under the goods and services tax which would be far more difficult for people to escape than otherwise before—and I would mention to members opposite that they have often criticized the government for permitting loopholes through which people can escape their obligation to pay tax—give it to the Minister of the Environment and permit him to do what he would wish to do. Not only would we have a very effective comprehensive action plan in place within the next 12 to 24 months. He would also have the kind of resources necessary to do the job in such a way that all members of this House would applaud.

Mr. Karpoff: Mr. Speaker, did the parliamentary secretary to the minister just announce that there is $2 billion being given out of the goods and services tax to the Minister of the Environment?

Mr. Clark (Brandon—Souris): What I announced, however, and I think the member probably knows this, is that the manufacturers' sales tax has worked so inefficiently that there has been on a year by year basis in essence $2 billion that was traditionally due to the Government of Canada which has not been collected because of the inefficiencies in that particular tax.

What I said to the hon. member was that that revenue by law properly belongs to the Government of Canada. I suggested that if we had those kinds of additional revenues in place we would have far more resources. I think all members here would agree that the environment should be higher on our priority list. We would have the resources available to do some of the things we believe are necessary.

At this point in time the Government of Canada must spend $28 billion, $29 billion, $30 billion a year on interest alone on a debt which has accumulated since the early 1970s. It takes almost 33 per cent of our government revenues alone to go to interest on money spent in

the past. We have limited our capacity to respond to the degradation which has already existed.

We live in the midst of a crisis, a crisis that is twofold. First of all, we have inherited as a people a degraded environment as a result of the failures of Canadians for decades. Governments as well as individuals have contributed to that degradation through some sort of failure on their part.

• (1550)

In addition, the second part of the crisis which is so significant is that the growth of the national debt at a time when there was no economic rationale for its development, particularly during buoyant years of the 1970s, has contributed to an economic malaise and almost an economic bankruptcy within this country to the extent that they cannot respond to the environmental crisis which is ours.

We are now at a stage where we are well aware of the problem, where we have the political will to address it, where I think to a large degree we have the co-operative support of not only members of this House but governments throughout the land, federal, provincial and municipal, that are strapped with the fact that they lack the economic resources that they would wish.

If the goods and services tax can succeed in reforming the tax base to the extent that it becomes a fairer and more equitable tax with fewer loopholes and the moneys which are legitimately the Government's of Canada are collected more effectively and distributed more equitably than they were in the past, then I would suggest that that indeed would be good for the country even though it may not contribute to our political well-being in the short term.

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

Ms. Sheila Copps (Hamilton East): Mr. Speaker, we have just heard from the Minister of the Environment a difficult and repetitive *bilan* of the state of the Canadian and the world environment.

I feel somewhat frustrated because it seems to me that time and time again we hear from this minister how bad the situation is, and we have heard his rather flowery rhetoric on this subject on dozens of occasions, but in actual fact his capacity to encourage change is completely lacking. I am frustrated, as millions of Canadians must be frustrated, when I hear the Minister of the Environment and the Prime Minister claim that their first priority is cleaning up the environment, when he actually has the audacity to stand in his place today and vote against the principle of a green tax.

The principle that has been put forward in the votable motion by the hon. member for Skeena is in fact a wide-ranging motion which would incorporate the notion of green taxes into the Canadian economy. I fail to understand the logic of the Minister of the Environment who claims to be an environmental advocate when every single one of his actions since taking office has gone in the opposite direction.

He avoided the question about how this government has cut back drastically on alternative energies and on conservation research. He claimed that he wanted a public-private sector mix. How does he rationalize that statement with his own budget document which shows that his government is going to be spending $5 billion to develop energy megaprojects which they know contribute to the burning of fossil fuel that is creating a situation in which our climate is warming at the same time as the total package for alternative energies is pathetically small and cut on a daily basis?

Friends of the Earth analysed the financial objectives of the government in relation to energy policy. They showed, quite rightly, that for every dollar spent on energy conservation the government is setting aside $19 to spend on development of fossil fuels which lead to global warming. In fact the actual amount cut in alternative energies and energy consumption in conservation since 1984 will reach 93 per cent within the next few years. The actual amount of money the government has set aside for conservation unrenewables, according to a document published recently by Friends of the Earth, is actually $250 million and falling—I believe it has actually been reduced a further $60 million since that time—as compared with $5 billion set aside for fossil fuel megaprojects.

I do not know whether the Minister of the Environment thinks Canadians are stupid. I do not know whether he takes us all for fools. But how can he continue to insist that his government has a plan for global warming, that his government has a plan for reducing the amount of fossil fuel that we burn, when his own department along with the Department of Energy are unwilling to

even assume target dates for fossil fuel reduction for this country?

It came as no surprise that California emission standards were announced by the Ontario Minister of the Environment at the national conference in Prince Edward Island a few days ago. It seems that when you talk about leadership in the environment in this country the Ontario Minister of the Environment is taking the leadership. We have the federal minister who followed up with a recommendation originally.

[*Translation*]

A recommandation from the premier of Quebec encouraging the adoption of the California emission standards.

[*English*]

But they did it after the United States had already decided to move in that direction.

I would like to ask the minister—and I would like him to speak to the people of Canada—about why a green tax is such a bad thing. He says he may not want to use tax policy to shape our conservation and consumption practices in this country. But he should admit right now that his own department in an internal document is examining the possibility of setting up emissions trading in the same way that is currently being endorsed by the Clean Air Act in the United States. He is examining a proposal which would turn pollution into a marketable commodity. That is how his government sees the market-place. They are going to be able to buy and sell pollution permits.

Instead of saying to companies that they should reduce their over-all level of pollution because it is going to be good for the air we breathe, it is going to be good for our children, it is going to be good for our country, he is actually examining the creation of a pollution permit which would permit Canadian companies to trade pollution rights among themselves. God forbid that we arrive at the day in this country when the right to pollute is a marketable commodity. That is exactly what is envisioned in the notion of having these pollution permits.

I know that the government likes to take ideas from its American counterparts. I know that that is currently one of the domestic provisions of the U.S. Clean Air Act. But I believe that in the past under successive Liberal governments Canada has shown a leadership role in reduction of SO_2 emissions. I would hate to see us follow in the footsteps of the United States where it concerns turning sulphur dioxide and other emissions into a commodity.

Canadians deserve better. Canadians want better. We only had to attend the meeting of the International Joint Commission at which for the first time in the joint study released by the Conserver Society and the IRPP, which is as a matter of fact as we speak making a presentation before the environment committee on global warming, to see for the very first time a link between airborne toxins and human brain damage.

I know that that biannual meeting of the International Joint Commission did not interest the minister. He would prefer to be studying water filtration problems in Paris. I can understand why he would not want to have been there for the launching of the IRPP report. It is the first time that we have actually drawn a link between actual brain damage in humans and airborne toxins.

Last summer I had the opportunity to go to Broughton Island. I had a chance to meet there with the city council of Broughton Island. It is a small community in the eastern Arctic that volunteered for a study of the effects of trace contaminants of PCBs.

Do you know what that study showed, Mr. Speaker? In the most pristine, untouched part of the world currently accessible only by plane, set up on the DEW Line in about 1960 essentially to service the needs of the military, the women in that community have PCBs in their mother's milk.

• (1600)

This minister and this government will not move to reduce the allowable burning of trace PCBs from 50 parts per million to 20 parts per million because, the minister says, the scientific data is inconclusive. The scientific data may be inconclusive for trace contaminants, but the scientific data for those women who have PCBs in their mother's milk is not inconclusive.

We actually heard during the Liberal caucus in Iqaluit that some mothers were so distraught about the situation that instead of feeding their children with their own mother's milk, they fed them with Coffeemate and the children suffered from malnutrition. They could not afford to pay the exorbitant price of fresh milk that comes in by plane and costs about $6 a litre in the store

in Broughton Island, so they fed their children with Coffeemate.

When the minister talks about developing a world protocol and about the international conventions, they are all extremely important and should be supported, but in our own country we have to act and we have to act now. That means we have to be prepared in the case of green taxes to look at examples that have been working for example in the European Community, with which the minister is very familiar and from which he likes to draw a lot of ideas. Why do we not look at what has been done in the European community or in Japan to cut back on the consumption of carbon fuels at the same time as we increase the awareness that there is a cost benefit relationship between pollution, taxation, and the GNP.

In the current move in Alberta to set up, at the latest count, almost nine or ten pulp and paper mills using old technology which would not be acceptable in Japan, why is it that we have not included in the cost benefit analysis the cost to the rivers and to the health and to the future of the people of the Northwest Territories, and the people who are living along the Athabasca and Slave River basins?

Why is it we have not moved with the recommendation that there be in fact an element of the GNP assessment specifically devoted to environmental degradation. Surely as trees are cut down across this country so there is a cost, short term and long term, that is being borne by ourselves and by our children. That cost is not currently reflected in the tax system, and that cost is not currently reflected in accounting principles adopted by the government.

What the hon. member for Skeena is recommending is that we be prepared to move in new and different directions.

[*Translation*]

For quite some time we have heard the Minister of the Environment's empty rhetoric on his good intentions with regard to the environment. But where was he, Mr. Speaker, when the PCB crisis broke out in Quebec? He was hiding in his cottage afraid to come out and take a stand. He did not want to show federal leadership on a national issue, just as he is now ready to reject the proposed tax system which would reflect more closely for the Canadian people the cost of pollution and the cost of preservation.

We know full well that the tax system, for example, has been used for years to speed up corporate development. For instance, a company can claim depreciation when purchasing new equipment. It is a strategy adopted by several governments precisely to speed up development in our country. We have now got to the point where, in our own future, in my daughter's lifetime, temperatures in the Great Lakes are expected to rise so much over the next 50 years that winter in southwestern Ontario will be two to four weeks shorter. As Canadians, we can say that a shorter winter is a good thing but we have to consider the effect it will have on farmers and agriculture since, according to the Great Lakes report, Canadian farmers will have 50 per cent less moisture to work with.

Mr. Speaker, yesterday the House held a debate on the crisis facing family farms in Canada. We know that the tax issue is not the only major problem with which the farming community must come to grips, for it has to deal as well with rising temperatures and the world-wide warming trend which has become so obvious.

In that context the minister has little choice other than at least endorsing the principle of green taxation, much in the same way as he must support a federal government policy aimed at reducing grants awarded for megaprojects. At the same time, additional funds must be set aside for conservation technology and research on renewable resources.

Mr. Speaker, ever since this government took office the Minister of the Environment and his officials reduced by 93 per cent the money available for conservation and alternate energy projects, not to mention the fact that at the same time they are going to allocate $5 billion for megaprojects without first considering the possibility of cutting down on Canada's over-all energy requirements, along the line of well-established European conservation principles, for example.

So all I can say to the minister is that talk comes cheap, but why is he not prepared at least to consider the advisability of implementing green taxation such as they already have in a number of sectors in Europe and Japan and which seems to have a double impact. The first has to do with tax revenues, and the minister maintains that it is the only purpose of a tax system. The second impact can be seen in consumer habits. If as citizens, as federal

government, as provincial government, or as corporations we really want to distance ourselves—

[*English*]

If we want to get ourselves out of the mess we are in, we are going to have to be prepared to look at new ways of encouraging changes in behaviour patterns. That includes encouraging Canadians, by way of tax policy, to conserve. Why is it in our own House of Commons we cannot get recycled paper?

Last summer I was in British Columbia looking at the over-all environmental situation. I sat at a table across from a lumber company representative who told me that they could not get into the manufacture of recyclable papers because Canadians were not disciplined. Unlike the Japanese, I was told Canadians would not be prepared to separate paper from plastic waste from other waste. It is happening all around us. Canadians are crying out not only for recycled paper, but they want to be able to buy the products and be able to recycle plastic. The technology is available. It is the companies and the politicians that are lagging behind.

Once again, with the simple principle of a green tax the government comes forward and states: "No, no. We have done it this way for 30, 40 and 50 years". Heaven forbid that we should look at a new way of directing the tax system to achieve the objectives of obviously having enough money to run the government, but at the same time to reshape behaviour patterns.

If the minister truly believes that we are on the edge of a precipice, as he is wont to say, and he has described us rightfully as the most wasteful country in the world, the least energy efficient country in the world, we should be ashamed. We should be examining innovative new ways of encouraging conservation and innovative new ways of rewarding those people who, for example, are into conservation by taking their bicycles, or those people who are into purchasing cars that are more energy efficient or those people who in fact are following the mandate of thinking globally and acting locally. There are many millions of concerned Canadians out there. You only have to look at any magazine, *Chatelaine*, *The Financial Post*, the *Report on Business*—

• (1610)

[*Translation*]

L'Actualité. Everyone involved in environmental issues knows full well that the people want to forge ahead. Politicians however are the ones lagging behind, afraid to say something new that might cost them votes.

I am convinced, Mr. Speaker, that Canadians are willing to make sacrifices, they are even prepared to accept new pollution taxes, new green taxes in order to answer direct needs, such as pollution control and environmental clean up.

Mr. Speaker, I know Canadians are ready. I wonder why the Minister does not trust the people of Canada.

[*English*]

Mr. James: I listened with interest to what the member for Hamilton East had to say. I was especially interested in that last part of her discourse because I, too, have great concern over those who talk about the environment but do not practise it.

Any time we ask a hundred people what is the most glaring issue of the day, their answer is it is the environment. However, if we followed those hundred people around for a day, we would find that a great percentage of them are polluting our environment. It seems to be a mindset; it is somebody else's problem and not theirs. They use environment unfriendly products; they throw their cigarette butts on the street; they wash their driveways down into the storm sewers without cleaning them up; they sneak burn their leaves; they take all the wrappings that they should not take at the fast food stores. I might ask the member when was the last time she refused some of the wrappers offered at the fast food drive-in. We should say no, we do not want them. We just want the food. We do not want all that environmentally unfriendly material.

I wonder what we are doing with our young people. I met with a number of school children just a week or so ago and they were talking about the environment. The environment is of great concern to them, but they do not seem to realize that they should be concerned about the environment through all they do.

Do we really have to throw money at this sort of thing and tax people? Do we have to use taxes to make them

think about the environment, those individuals who pollute our environment every day? I have concern about whether we have to tax them, or whether we should be using other means.

Members of Parliament themselves should show examples. Perhaps we should use some of the ways we have of communicating with the public, i.e. Householders and so on, wherein we could talk about the environment and what people individually could do to be helpful in not polluting our environment and not necessarily always have to look at dollars. Yes, we need dollars, but are there not other ways.

We as members of Parliament, the member from Hamilton included, should do something by communicating with our constituents and do a better job of communicating the need to being environmentally conscious and practise some of the more simplistic measures rather than constantly bombarding them with the more complex side. Not that we should not be concerned about all that, but individuals on the street need to be coaxed and cultured into being more environmentally conscious in everything they do all day long every day.

Ms Copps: My point, and I do not know if the member agrees with it, is I believe that the people are doing and are prepared to do much more than the politicians. The member mentioned fast food packaging. Who establishes packaging laws in this country? It is the federal ministry of Consumer and Corporate Affairs. It could move in and require that all packaging be produced in a material that is recycled. The federal ministry of Consumer and Corporate Affairs could move in and do that. What I am suggesting is that the public is prepared to do it, but we the politicians are not prepared to come forward with some innovative new approaches.

The federal government is not broke when it comes to the $5 billion it is setting aside for energy megaprojects, so it is a question of making choices.

Who chose to spend $5 billion on energy megaprojects and about $250 million or less on the renewables? That is a political choice of his government. It was his government that moved in 1984 to do away with the Canadian Home Insulation Program, probably one of the single best ways of permitting Canadians to insulate their homes so they would use less energy.

What is the intelligence of cancelling the Canadian Home Insulation Program and at the same time spending $5 billion on energy megaproject claiming it is in the effort to assure security of supply? Surely security of supply has to deal with not only getting new energy sources available, but also reducing the energy that we are using on an ongoing basis.

Every single Canadian could move with a retrofit of incandescent light bulbs. People in Europe or other countries who have not had the tremendous access to "unlimited energy supplies" that we have had in this country are more energy conscious. They do not use as much water in their toilets. It sounds ridiculous, but a simple water dam could save millions of dollars in water costs across this country because it would reduce the amount of water needed to flush a toilet.

Surely we can build a federal tax policy that provides incentives for people to make these kinds of changes and disincentives to continually consume, merely to create a larger demand for the supply. That is the point of a green tax.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased to speak today on the motion which asks the House to enact important changes to the present tax system. I must at the beginning of my remarks place the issue in its proper context. As the member for Trois-Rivières, I feel the government has shown up to now that we are more than favourably disposed towards the environment and since 1984 we have done tremendous work in that regard and about the environmental situation our country and the world is in. I think we owe it all to our Right Hon. Prime Minister as well as to the Minister of the Environment we have had for five years.

There is always great danger, Mr. Speaker, when politicians and particularly managers of a country such as Canada try to mix apples and oranges. That is what this motion does today. It says on the one hand: We want to protect the environment, and on the other hand: Let us tax, let us use the tax system for the environment. That reminds me, and you will remember it too, Mr. Speaker, the pre-1984 tax measure called scientific research tax credit that cost not millions but billions of dollars to Canadians and did not in the end bring any scientific research to the country. We must be very careful. If, regarding environmental matters, a budget is allocated

to the Minister of Environment, his competent officials administer that budget, invest the money and develop proper policies, fine!

• (1620)

Mr. Speaker, I agree with that approach. But don't ask the Department of Finance, don't ask the tax experts, who are certainly not environmentalists, to make decisions on a tax for the environment. That is the problem, Mr. Speaker. Since 1984, we have established or re-established a tax system that works. We closed loopholes and removed tax shelters that existed when we came to power in 1984. We introduced a minimum income tax. We reduced the number of tax brackets from ten to three, as you know. We removed personal exemptions, basic exemptions, exemptions for the sick, and so forth, and we replaced those with a tax credit, the same amount for everybody, irrespective of income. We made the system fair and effective.

And now in Phase II of the tax reform, we will finally get rid of a 13 per cent manufacturer's sale tax and replace it with a 9 per cent goods and services tax, which will benefit all Canadians. This will be the last step towards an effective and valid tax system in this country, one that will make us competitive internationally. It is all very well to have a fiscal policy in this country, but that policy must also help our businesses, either to compete with imports or to export their products and compete on the international market. In both cases, our fiscal policy and our economic policy must be compatible and help Canadian business. Our tax system will now be complete. However, if we want to add a tax to deal with environmental problems, I can see the Opposition saying tomorrow or the day after: We should have a tax to deal with some other problem in another department, for instance, a special tax on transportation. The next day, the Opposition will tell me they need a special tax for the deficit. And in three, or four or five years, if we listen to the Opposition, if we introduce every single tax they ask for to deal with all these problems, our tax system will be in the same mess, it will be the same major problem we had when we came to power in 1984. That is why, Mr. Speaker, I think we must keep taxation and the environment separate.

Mr. Speaker, when we talk about improving the quality of life of our constituents, we must always be sure it will be in their best interests. A typical example Canadians will remember, as I said earlier, was the scientific research tax credit—some cases are still before the courts—where there was a terrific waste of taxpayer's money without any benefit to the community. This was an example of bad management, and it certainly didn't do scientific research any good.

The Minister of the Environment, the Hon. Member for Lac-Saint-Jean (Mr. Bouchard) has acted responsibly on environmental issues. He has made firm commitments. We must not forget, when we are talking about the environment, that this is not a regional or a provincial issue but a federal issue, and also an international issue. At that level, the Prime Minister of Canada and the Minister of Environment have also acted responsibly, and that is very important. We must keep working at the international level because even if your own backyard is clean, if the neighbours don't clean theirs, it is very likely the bugs will migrate from their yards to yours. So as far as the environment is concerned, we must keep up the pressure, both internationally and nationally.

Of course, Mr. Speaker, you will realize that in the circumstances, I cannot agree with the motion as drafted.

As I said earlier, there have been some very substantial changes in our tax system since 1984. We have expanded the tax base, both for individuals and companies, so that everyone will pay his fair share of taxes. The same applies to capital gains. The same applies to the lifetime exemption on capital gains.

I don't think we should dismantle what we managed to build during the past five years, a system that has resulted in substantial dividends both for Canadians individually and for the quality of life in this country.

With the GST, all families with an income of $30,000 or less will be in a better position as far as taxes are concerned, meaning that once the system is in place in 1991, they will have more disposable income than they have now. They will be entitled to an annual tax credit of $275 per adult and $100 per child, to which may be added another tax credit, depending on individual or family income. Furthermore, businesses will be entitled to a maximum of $600 for completing the paperwork required in connection with the goods and services tax. You know as well as I do, Mr. Speaker, that the paperwork will not be significant. It will be just one 8 1/2 by 11-inch sheet the company will have to complete once a month. Monthly sales minus monthly purchases, and the difference multiplied by 9 per cent, and that amount is sent to us here at the federal government. Nine million Canadians will receive a cheque in December 1990. Before the goods and services tax is even in place, nine million Canadians will have received a cheque. That is not what

I would call a regressive consumer tax system but rather a just and fair system.

Moreover, we will further reduce by 1 per cent the personal income tax of Canadians who are in the middle tax bracket.

Then, Mr. Speaker, we will have an excellent tax system. And I don't think we should collect a green tax because if we do start with the environment, we will have to follow through with transport, fisheries, and so on. Departments have competent people to manage their budget, and we should give them the money they need to improve the quality of life for Canadians.

To conclude, as I said earlier, Mr. Speaker, I am against the spirit and the letter of that motion.

[*English*]

Mr. Fulton: I wonder if the hon. member could rise and give the House a single example of a green tax.

[*Translation*]

Mr. Vincent: Either I did not get the point raised by my hon. friend opposite, Mr. Speaker, or he failed to get the gist of my remarks. What I said is that our tax system and environment minister are both excellent. Let us keep our tax system and the environmental separate, for if we adopt today the principle of this so-called "green" tax system, we might be faced again with the same problem tomorrow and the day after. Departments exist to look after the problems of this country. Each department has its own framework and professionals. Again, for my hon. colleague's information, I will remind him of the so-called scientific research tax credit scheme which was supposed to promote scientific research in Canada. Did it promote scientific research in this country? No, but there were people who managed to make a bundle at the expense of Canadian taxpayers. It did not help scientific research one little bit. What we are saying is that the Department of Finance exists to implement the income tax and sales tax legislation for the purpose of collecting money for the federal treasury. Then, the federal government is responsible for distributing this wealth among Canadians men and women, through the various departments which apply the programs set up and adopted by the House. That is the point, and not through a tax system.

• (1630)

The purpose of the income tax legislation is to collect money, the Department of Environment exists to improve the quality of life for all Canadians in every part of this country. That is the difference we should recognize, Mr. Speaker.

[*English*]

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate, with the hon. member for Ottawa West.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I heard comments in this House that I often hear when we want to introduce social and economic changes and change for the better of our world. The question is asked: what are we doing with our young people? Our young people are not the ones who have messed up the world. We are. Let us take the responsibility for that and let us take responsibility for our ongoing contribution, not only for the pollution of our environment and our water and the world, but for the rapid depletion of the world's resources.

I spent a number of years before I entered this Chamber in municipal governments, including chairing the committee that was responsible for dealing with sewers, garbage and river pollution, among other things. I guess I have a very down-to-earth view of some of the solutions that we need to pursue. It is very clear to me that we need to pursue intergovernmental solutions, not all at one level and not in isolation.

We need to recognize that municipalities are way ahead of us. We need to recognize that the people of Canada are way ahead of us as governments, as politicians and as leaders.

I want to address a number of areas in which we are not meeting our responsibilities or obligations. Every time there is a measure that is retrograde and counterproductive it is blamed on taxes. We are told we have to

cut the public service because taxes are too high or our deficit is too high.

What are we cutting? In many cases we are cutting the solutions to our problems. Rather than solving problems, we are creating new ones. We have done that by cutting millions of dollars out of environmental programs at the National Research Council. The solutions to the world's problems and, to a large extent, our economic problems are in that research. Energy research within the federal government departments has been cut. There have been cuts to programs that lead people to reduce their energy consumption and ultimately reduce costs to all of us.

We fail to take a comprehensive approach. Let me suggest another way of looking at how we spend our dollars. In the ministry of the environment alone, the purchases of vehicles this fiscal year jumped by some $3 million, nearly a third over last year. That is one of the smallest departments.

How many millions of dollars are we spending on those vehicles? How are we using that purchasing power to exercise leadership in demanding the kinds of vehicles for government use that will help deal with the problem of global warming? The government has failed to use its economic power to demand the kinds of products in a variety of fields.

Through that leadership, in fact, we could be providing the incentive to industry to develop products that not only do less damage to the environment but delete less of the world's resources.

If we look at all levels of government, the power of that purchasing ability is multiplied severalfold. Municipal governments across this country spend 25 per cent more than the federal government on the purchase of goods and services and slightly less than the provincial governments. We as governments can triple our influence simply by what products we choose to purchase and what criteria we put on the product we buy. We can have a triple whammy effect on what kinds of products are produced and therefore available to the public.

I am not tremendously optimistic that there will be that kind of comprehensive approach because in the last year, and as a member of the environment committee, I have seen very little indication that there is any high level of understanding.

Let us not talk about educating the public. They are educated far beyond us in terms of what they are doing, what they are prepared to do and what they are prepared to spend. If anything, they need information from government on how to carry out the motivation that they already have.

As I say, I am not optimistic. I listened with a great deal of concern to the debate in this House when one of my colleagues proposed that the Ministry of Industry, Science and Technology should include in its mandate responsibility for sustainable development. The minister dismissed it as basically hearts, flowers and music, something nice to have, but can live without. What does that have to do with the economy? Anybody who understands the principle of sustainable development understands that if we do not change the way we run our economy and do not develop economically in a way of our resources, we will have no resources on which to prosper.

I see the same approach in transportation. I see the Minister of Transportation who stands up in this House day after day in Question Period and says: "I can't afford to be concerned about the environment." If that is the government's attitude about its own operations and its own activities, I cannot believe that this is a government that is going to say to industrial polluters, "It is going to cost you but you are going to have to clean up."

We see it in department after department. The Minister of the Environment says that he is not responsible for environmental matters, that it is the responsibility of every department. When a department is challenged on its responsibilities for environmental matters within its area of operation it states that it is the responsibility of the Minister of the Environment. The other side of the House is going to have to get its act together or the world is going to fall apart.

I want to talk about the issue of intergovernmental co-operation. We have an ideal opportunity in this capital city of Canada to demonstrate how intergovernmental co-operation can work to ensure that transportation policies, land use policies, parks policies, activities of government are carried out not only in a way which does not damage the environment but would improve the quality of our environment and diminish our use of resources.

We have in this region three levels of government. Two provincial governments control what happens on both sides of the river. There are numerous municipal governments and the federal government. The federal government controls one third of the land mass in the national capital region and 30 per cent of the employment. Such influence on how a community develops gives one the power to work with the other levels of government to make substantial changes and demonstrate through our own national capital region how other cities in Canada and, indeed, around the world can become energy-conscious communities. Yet, not a 10-minute walk from Parliament Hill, the National Capital Commission is planning the development of the last major open space in the heart of this region. It is not paying attention to principles of sustainable development. It is designing a standard community in standard ways.

• (1640)

One of my colleagues has a private members' motion, which I certainly hope comes to the floor of this House, proposing that the NCC take the leadership and initiative to become responsible to co-ordinate and co-operate with an effort to use the nation's capital as a demonstration project for environmentally sustainable urban living.

It is not always a question of spending money. We know from a number of experiences and experiments and some great successes in the private sector that doing things in on environmentally sound way can be cheaper, less wasteful and less harmful to the environment. I wonder how many members of the House have Research Council report. The council co-ordinates grants and identifies environmental technology as one of the key economic opportunities for Canada in the future. Here is a marvellous opportunity to not only prosper economically but to contribute to the future survival of the world. What is the government doing to seize that opportunity to develop those technologies? It is cutting back on research and development. It is cutting back on our scientific institution such as the National Research Council. It is fragmenting programs like our space program by having a space agency in Montreal and a centre of excellence for space in Calgary.

We are too small an economy for that kind of fragmentation. We do not yet have the critical mass that we can afford to scatter programs like that here and there across the country. That is what happens when science and research is treated like a political goody to be handed out wherever you need a few more votes or need to reward a friend. It is time for all of us to make a commitment to exercise leadership as politicians to make it clear that this is of national priority not only in terms of words but in terms of where our dollars are spent and how our decisions are made.

It is time for leadership, not by telling Canadians the severity of the problem, what they should be doing about it, but by seeing how we, as the largest employer in this country and controlling virtually any kind of a process that is operated in industry, can we set the example. How can we use our purchasing power and our role as employer to demonstrate to other Canadians that creating a better world is a sound economical policy? We have never even addressed how present tax policy hinders or helps achieving environmental objectives. To refuse to even begin to address that issue is truly foolhardy.

In the area of scientific research there are all kinds of tax credits and tax write-offs, as well as in the area of scientific development. Are these incentives achieving the objectives with respect to the environment and the use of resources that we want to achieve? Is it not time to begin that examination knowing that tax policy and economic factors are a key initiative to people, either to act positively of negatively?

I encourage members to adopt this motion. Above all, whether or not the motion is adopted, I encourage the government to take seriously the debate in the House this afternoon and have a serious look at how its tax policies affect the environment.

Mr. Jordan: Mr. Speaker, I have a question and a comment. I wish to compliment my colleague for her excellent speech. Maybe I am paraphrasing a bit but the Minister of the Environment said something to the effect that he did not want to use a tax or a lack of a tax to dictate environmental policy.

Sometimes I think we do need motivators. It is not a perfect world that we are living in, and when profit is the motive, sometimes people will do things out of character, very unusual things perhaps with little or no regard for the final results. I look upon the "green tax" as a motivator to try and clean up the environment. What would be so wrong with having a tax on those things which, in their final stages, are left to society to clean up? Would this not be a way of having those who have

been responsible for the contaminants pay for the cleaning up of the contaminants?

If we were in the ideal situation we would not need that motivator. We would think enough of our environment that we would not dare touch this or we would make sure that that species survived. But that is not the world we live in. Would it be so wrong then, to put the responsibility for cleaning up the environment in the laps of those who are responsible for contaminating it in the first place?

Mrs. Catterall: Mr. Speaker,I thank my colleague for the question. Obviously, I do not believe there is anything wrong with that. In fact, I think it is absolutely essential.

The government already has tax policies that either encourage or discourage certain things. The very minimum that needs to be done is to look at the existing tax policy and see to what extent it discourages. I think we all have to recognize that what we pay for in goods and services is only a small part of the real cost of those goods and services. Obviously we are reaching the stage where we all have to be responsible for our own pollution, and that includes financial responsibility.

I trust we will never again see a situation where we are shipping off our poisons and our pollutants, risking the pollution of the oceans of the world, just to get them out of our backyard. Until there is a responsibility for us to clean up, to treat, or to destroy whatever we produce in the way of waste, there will be no responsibility for our actions. I personally believe it goes far beyond simply taxing the undesirable by–products of production. I think it requires more of an incentive process. For the minister to say that he is not prepared to use the tax system to help clean up the environment, when elements of the tax system already encourage the damaging of the environment, is absolute nonsense.

Mr. James: Mr. Speaker, through you, to the member for Ottawa West, I want to express my concern and interest about the environment. I live adjacent to the Great Lakes and even though someone earlier made a fairly disparaging comment about the Great Lakes, they are still beautiful and wonderful, but we do need to be very careful about what we do around them.

• (1650)

I am also especially interested in the municipalities that are around the Great Lakes or on our rivers and lakes. Earlier, a colleague of the member opposite from the immediate Ottawa area expressed great concern about how the rivers in the immediate area have been polluted, how the beaches cannot be used and so on. I relate that with the member saying that she was on a municipal council, it appears, and also headed up an important committee that was certainly connected with the environment.

So I would be interested to know, as a guide for all of us to follow, what percentage of the levies were paid by the taxpayer toward environmental concerns in her municipality, how that changed while she was there, and how she laid on an environmental tax. Because that seems to be what is being promoted I would be interested in that. It does not appear that it is working so well if, in the immediate Ottawa area, we still have this ever polluting of our river that certainly has been contributed to by the municipalities in the area. comments in that regard.

Mrs. Catterall: Mr. Speaker, I might say that one of the contributors to pollution in the Ottawa River is the Agriculture Canada research station upstream from Britannia Beach.

I am pleased to say that while I was on council I did initiate a major study of the Ottawa River designed precisely to identify what actions the municipalities could take. Some of that has been done. I understand there is ongoing work as a result.

We are into the issue of municipal infrastructure. As the member opposite is well aware, a number of programs in the past did assist municipalities with major sewer works and other works that contributed to environmental clean–up. They have the national and provincial associations of municipalities, an agreement by all environmental ministers or responsible ministers at the provincial level across the country, that that is one major initiative needing to be taken on a cost–shared basis. The municipalities are prepared to put in their bucks and the provinces are prepared to put in their bucks. It is only the federal government that has said no.

I think it is worth-while pointing out that that kind of work is Government of Canada can put its money.

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

On debate, the hon. member for Fredericton—York—Sunbury.

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, it is a pleasure for me to speak in this debate this afternoon as a member of the Standing Committee on the Environment and as a supporter of the goods and services tax measure as well.

The hon. member for Skeena has very cleverly combined the considerations of the environment and the taxation issue in a very interesting motion, one which I cannot support, but one which I nonetheless appreciate for the essence of its provocation and for the attention and emphasis which it brings both to the environment and to the tax issue.

Let me say that I support the environmental concerns of the hon. member for Skeena. I acknowledge and pay respect to his considerable knowledge about things environmental, and I share his concerns and his environmental goals but I must say that I differ considerably on how to accomplish and pay for the achievement of those goals.

On October 23, the hon. Minister of the Environment addressed the United Nations and said that we can speak to the environmental problem in rather simple ways. We can either move to develop sustainable economic and social practices or we can leave the problems to our children and hope that they are capable of solutions that escape us.

If the choice can be stated that simply, it does not mean a quick-fix single panacea like a green tax system, or some other socialist-oriented, profit-motive that I would fail to understand, but a comprehensive framework for action, a comprehensive strategy, and a financial strategy designed to provide the wherewithal by which government can carry out not just its environmental program but its entire program from which we may ultimately be able to initiate some environmentally sensitive taxation issues. The idea is not all bad. Were it not for the fact that the hon. member would move the entire federal government taxation structure in the direction of the environment, I think that some of his ideas certainly bear watching although I am not sure they would bear scrutiny.

In any event, Mr. Speaker, I would like to draw your atention to the comprehensive strategy that the government addressed in the Throne Speech in April, in which it talked about five significant directions. One direction was financial integrity, solvency and fulfilling our fiscal responsibility to future generations. I believe that the goods and services tax is a progressive tax, one that raises funds with the growth of our economy, with the growth and spending of our nation, and that we are addressing financial integrity.

The second direction is economic growth, the creation of jobs, regional development, and I think we are addressing that.

A third strategic direction is national unity, one proud country. We are addressing that in a number of ways.

The fourth is the environmental imperative, the search for sustainable development in almost all that we do. We are certainly addressing that today. This motion and its emphasis in those directions is valuable for debate in this House.

Lastly, the Throne Speech spoke about a caring and compassionate society. I think that the goods and services tax speaks to that subject. The goods and services tax is not just a new source of revenue. The goods and services tax is an effort to change the burden of taxation, to shift the emphasis from those who are unable to pay to those who are better able to pay. The goods and services tax does that in a number of ways. It does it by eliminating and maintaining the elimination of taxation on food. It does it by providing a goods and services tax credit to low-income families. It does it be integrating effectively with the income tax system. It does it by replacing the federal sales tax which is a very bad tax and which has inhibited many of the progressive measures we would like to take, including those in the environment. The goods and services tax is an instrument of social change, an instrument of shifting the burden of financial support of government administration and government efforts from those at the low-income levels to those who are able to pay. I submit that the goods and services tax is an essential instrument of both financial responsibility and financial fairness.

When we address the environment in Canada, we have to think about some of the geographic facts, some of the economic facts and some of the demographic facts of our nation. For example, one in three Canadian workers is employed directly or indirectly in resource based activities. These activities count for one half of our export

earnings. That is not an area that we can deal with frivolously in a quick fix green tax approach.

Canada has one of the world's longest coastlines, I guess the world's longest coastline of about 29,000 kilometers. We cannot deal with that on a user–pay, quick–fix green tax basis. Canadians are responsible for nearly 8 per cent of the world's total volume of fresh water lakes. We cannot administer those on a quick–fix green tax basis.

Our country has some of the planet's largest stretches of productive farmlands and forests, and we cannot manage those on a quick–fix green tax basis. Beyond any kind of economic ties, the quality and diversity of Canada's natural resources, our parks, our mountains, our forests, our wheat fields, our rugged coastlines, undeniably shape our self–identity, our sense of Canadianism and shape our thoughts about how the rest of the world thinks of us. We certainly cannot address our statement of nationhood on one quick–fix green tax basis.

• (1700)

In light of those considerations, it is hardly surprising that Canada was an early and strong supporter of the Brundtland Commission on Environment and Development. Indeed, it is fair to say that the Brundtland commission served as a catalyst for changes that were already under way in Canada.

I have invited the hon. member for Skeena a couple of times now to visit New Brunswick and to get New Brunswick forestry legislation straight in his mind. He would discover that it, conceived in the early years of this decade, was moving in the direction of sustainable development. We are going to get him down there some day soon and set him straight. We may even get him to change his political loyalties, because sooner or later, he is going to realize that if he really wants to participate in progress in this country, he is going to have to join another team.

Canada has embraced the sustainable development credo as much as any other nation. We are working in all sectors to help put that philosophy into practice, and Canada's actions have come in a number of areas. We have established a national round table on environment and the economy, chaired by Dr. David Johnson, principal of McGill University. We have passed a new Environmental Protection Act. We will be introducing new legislation to protect our water resources and for stricter control of toxic chemicals. Under this government's environmental choices program, we are providing seals of approval to products so that the consumer can make the right environmental choice. In 1988, this government made major amendments to the National Parks Act and moved to establish six new national parks.

All of these actions and more illustrate the movement from the old environmental agenda to the new one. The development of a comprehensive environmental agenda does not involve a single initiative. It cannot be solved by a single quick–fix green tax but by a series of purposeful steps of which the tax reform which we are presently debating and introducing in this country is a major pillar. From being simply a regulator, we must become a leader.

From simply treating symptoms, we must deal with the causes and the solutions. From merely acting in isolation, we must build partnerships.

Regulation remains an important element of our environmental policy tool kit, and Canada has recently adopted a new environmental law, the Canadian Environmental Protection Act. Nevertheless, Canadians also recognize that regulation alone will not achieve sustainable development. Governments, industry, communities, and individuals must demonstrate leadership within their own spheres of influence.

This government has moved quickly to establish innovative decision–making approaches that institutionalize sustainable development and make it part of the every day process. Some of those recent developments include a new federal cabinet structure that gives prominence to the environment, a new environment committee of cabinet that has been established to provide leadership in ensuring that all federal policies and programs take environmental factors into consideration.

The Standing Committee on the Environment, of which members of all parties in this House participate, has demonstrated leadership in the care it has taken to select its program for a study and a report on atmospheric pollution in the context of sustainable development with respect to global warming. A federal environmental assessment review process has been established which will have a legislative underpinning, a state of the environment reporting system, development of conservation strategies in the areas of waterfowl habitat and

wetland preservation, fish habitat maintenance, and efforts in the forestry sector.

The second major step in meeting the new agenda is shifting from treating symptoms to dealing with root causes and solutions. No one can ignore, for example, accidents or spills when they occur. Yet the cliche is true, it is cheaper to prevent than to clean up. Sustainable development imposes this attitude as a necessary condition.

The third element is the shift from acting in isolation to building partnerships. The government has created round tables on the environment and the economy to bring these two important decision-making perspectives together among government, industry, labour, science, and citizen groups. They are to serve as permanent mechanisms for exchanging concerns, finding areas of common ground and seeking approaches that are understood and respected by all sides.

Canadians are building partnerships in other forums as well. Industry and consumer groups are co-operating to establish an environmentally friendly products labelling system so that consumers can make informed choices in their purchases. Environmental interest groups are working with governments to increase public awareness about acid rain and other environmental problems such as the ozone layer and global warming.

These domestic initiatives will help establish sustainable development in Canada. The actions in effect will help put our own house in order. The government is dedicated to taking clear and decisive leadership on the environment in partnership with all Canadians. It has taken mankind a great deal of its history to realize that we the people are really the cause of the ecological crisis of unprecedented proportions which we are now facing. We in this government have decided to act.

In the Speech from the Throne, we committed ourselves to a vision of a nation living in harmony with the environment and one that will co-operate with other nations to establish and achieve sustainable development on a global scale. This mission demands that all of our energies be directed toward that goal.

The key word is still development. We must create new capacity to feed our human populations which will double on this earth in the next 50 years. We must create new energy sources and new energy capability five times the present capacity, according to the Brundtland Commission, just to be able to create and sustain the development of our emerging population.

The aim of this House must be, as the previous speaker said, to rise in a non-partisan way above political posturing and to take real and constructive action. We have the opportunity to join peoples from all regions, young and old, men and women, in a common cause. We have among us the talents and the energies to demonstrate that we deserve the trust of future generations to protect and to preserve their interests. We must move beyond debates of simple answers to complex problems and get on with the development and the implementation of a comprehensive environmental agenda.

This motion, as well-intentioned as it may be in an environmental sense, is really an exercise in quick-fix simplicity, a user-pay guide to environmental sustainability. That, with respect, Mr. Speaker, simply will not work.

I will be voting against this motion.

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the fundamental objective of the tax system is to raise revenue, to finance the provision of a Public Service and to service the public debt. The tax system should be fair and efficient and it should not distort economic decisions in an undesirable direction.

This motion would have the House make major changes to the tax system, including the corporate income tax system, so that its fundamental objective would be to achieve a quite different goal. While it is a laudable goal, I would question whether the taxation system should be so changed. Rather, we should continue the process of tax reform initiated by the government in order to build a sound, reliable and fair tax system. Only then should consideration be given to using it to achieve goals such as that proposed in today's motion.

The corporate tax system that existed when this government came to office in 1984 was seriously in need of overhaul. A host of special deductions, exemptions and credits had seriously eroded the tax base. Many of these incentives had been put in place for what would appear to be exemplary reasons; for example, job creation, economic growth and the expansion of research and development. But their existence forced tax rates to be increased to generate the necessary revenue.

Moreover, the results being achieved by the combination of generous incentives to direct corporate behaviour and high tax rates is well known to all members, including members of the opposition.

• (1710)

Many profitable corporations were non-taxpaying. Corporate tax revenues were low and there was little evidence that the measures were achieving the desired objectives. Numerous schemes to further reduce corporate taxes were being developed by aggressive tax planners seeking to get the most out of these measures. It is extremely useful to look at this experience and the results of the corporate tax reform when considering the wholesale introduction of tax incentives or penalties to achieve other eminently desirable objectives. Preservation of the environment is an objective, of course, which we all support.

As the Minister of Finance emphasized in his speech to the Commonwealth Finance Ministers meeting in September, the environment is an area where changes in policy are essential. This presents a great challenge to governments in Canada and elsewhere in the world. Managing changes in policies to achieve the best results with minimal adverse side effects are as important here as in other areas of economic management.

The corporate tax system is one part of the tax system where there has been substantial change and experimentation in recent decades. It is instructive to look at it as an example of the constraints that arise. As I noted, the corporate tax system which this government inherited was widely considered a failure. Substantial corporate resources were being used, not to create real economic benefits, but rather to generate tax benefits, and the objectives of growth and job creation were not being achieved.

Equally disturbing was the fact that the generosity of these special incentives led to their growing year after year at a faster rate than could possibly be used. Intricate mechanisms were designed to use losses against income from unrelated activities.

Faced with the situation the government made a fundamental choice. It did not adopt a quick-fix solution with an appealing name. It developed a careful analysis of the problems of the system and the direction and changes that should move the system.

Following the release and public response to a discussion paper in 1985 outlining this analysis, proposals for change were put forward as part of a tax reform. The changes were balanced in nature, recognizing the factors that bear on the system. Taxes were raised by some $1 billion annually from the corporate sector. Tax rates were designed to keep us internationally competitive. The base was broadened to reduce the list of profitable non-taxpaying firms. Perhaps most importantly, the system was redirected so that economic, not tax factors, were at the base of the corporate decisions.

The steps taken in line with this over-all strategy have extended well beyond tax reform itself and include measures taken throughout the government's mandate. The first step was the moratorium on scientific research tax credits, that prime example of a wasteful and ill-conceived incentive, albeit directed at an important objective, R and D.

Other steps include measures to prevent a variety of schemes to transfer tax losses from non-profitable corporations to profitable corporations; the reduction of the accelerated capital consumption allowance rates across a broad range of capital goods and industries; the elimination of the general investment tax credits which proved to be such a failure in producing real wealth; the reduction of a variety of special purpose investment tax credits; an increase in the rate of taxation of capital gains; the introduction of a corporate surtax; the introduction of put-in-use rules to limit the use of deductions where taxable income is not forthcoming; removal of inventory allowance; curtailment of the use of leasing to transfer benefits for accelerated capital consumption allowances from non-taxable entities to profitable firms; and a creditable tax on large deposit-taking institutions.

Most recently, a large corporations tax has been adopted to ensure that all large companies contribute to deficit reduction. This tax, of course, will add almost $1 billion dollars to the debt control effort.

These changes were fundamental and their benefit has been significant. We have a broader and more stable corporate tax base which ensures that corporations, and especially large corporations, pay their fair share. They had not done this in the past. In total, these measures add some $2 billion annually to corporate tax revenues and, just as important, it directs attention back to the basic economic fundamentals.

I have not listed these serious problems of the past and the major effort that has been made to correct them to imply that tax changes should not be used to support desirable objectives such as environmental policy. Rather, I have set them out to show what serious problems can arise if wholesale measures are adopted without recognition of the limits on the tax system's ability to deliver. Let us not revisit the mistakes of the 1970s in the name of environmental policy.

I appreciate the opportunity to bring some of this information to the attention of the House today as we consider the motion of the member opposite, which is about adding a new tax for environmental purposes.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I rise to speak in favour of this motion. Since I was elected a number of people have asked me, of all the things that we deal with in Parliament, what really are the significant issues. I started off by thinking that when it really comes down to it, there are probably only three overriding issues that are particularly significant to the next generation. The first is peace and the question of disarmament, because without that, the next generation is not going to be here.

The second is the question of poverty and the distribution of wealth, not only within Canada, but on a world-wide basis. Canada is starting to create a whole class of poor people; 1.2 million children live in poverty. In the world, we have a severe problem of economic wealth on the one hand and abject poverty, starvation and death on the other.

The third issue is the question of the protection of the environment and sustainable development. In many ways, these issues are rolled up into one. Certainly peace and disarmament is going to mean less use of materials that are involved in the pollution of the environment and that will allow us to deal with the question of income and poverty. I think there is an interrelationship between those three issues.

The environment is one issue on which this government does not seem to be leading the way. There is far more acceptance in Canada of strong measures to deal with the question of the degradation of our environment than this government is prepared to deal with.

I just want to remind government members of what the Secretary General of the United Nations Commission said about this government. "The federal government is long on talk and short on action when it comes to cleaning up the environment. Canada is a country noted for leading with rhetoric and following others with action". Again that is what is being discussed here, when the people on the other side say that a green tax is not a feasible way to change the way we relate to our environment.

• (1720)

Let me talk a bit about the whole question of what is the purpose of taxation. Hon. members on the other side of the House indicate that the raising of taxes is simply a matter of raising money. If that were true, then I would think they would simply raise the money from those who could most afford it. They use tax for social policy. They have consciously shifted the tax burden from corporations to individual families. That is a social policy. That has nothing to do with raising revenue. This country has gone from corporations paying 50 per cent of the tax down to them paying 20 per cent.

The GST is as much a direct social policy as it is a method of raising money. There are many ways that the government could raise money and what it is choosing is a regressive tax.

One speaker said this afternoon that corporations only use pure economic considerations and that is what we should do in making decisions about taxation. Most big corporations do make pure economic decisions, and if they can get away with polluting because it is simply cheaper, they will do so. There are many large corporations, including Cominco, that consider fines almost like a licence to pollute, simply because it is less expensive than putting in proper scrubbing or air pollution equipment.

In this country, we have allowed the companies to make the economic decisions that are best for them, and we pick up half the costs. For example, do we bill McDonald's for disposing of all their garbage? The cost to the whole community for cleaning up pollution, dealing with garbage and a deteriorating environment is very, very expensive. Yet we have told companies that we will pick up that cost so they can become profitable. The total community is subsidizing that industry through taxation.

The other thing I hear a lot about from government members is the discussion about reducing the deficit and the debt. I think it is time someone went back to basic business school and started looking at what is involved with debt. Debts include assets. This government has reduced a lot of its deficit by getting rid of some of its best assets like Air Canada. It has given away our assets.

When one starts looking at debts, one has to look at accounts payable. Any corporation at the end of the year has to take into consideration accounts payable. What we have done as a society is create an accounts payable for our children in environmental damage that is horrendous. Right now, in order to allow a big corporation to make a little bit more profit today, we are transferring the debt to our children. I think it is time that some of the people over there not only learn a little bit about the environment but learn a little bit about basic economics and how a balance sheet reads.

In Surrey we have a number of environmental problems. The whole question of the use of landfill as a dump has been very difficult for the Greater Vancouver Regional District to deal with.

In the last year, Surrey went into a recycling program. Initially people thought it might be done as cheaply as $4 per household. It has turned out to cost $15 per household. Let me tell you, most people are quite willing to pay an additional $15.

As they brought in the blue boxes, they were surprised at the extent of their use within the community. Eighty per cent of the households are now using the blue boxes. This has already meant a 16 per cent reduction in the use of the landfill, and that is only with part of the municipality participating.

Also, the volume of tonnage going into the blue boxes and being recycled is much greater than we had anticipated. In fact, in Surrey, out of the first 36,000 homes, we are collecting more recyclable materials than is now being collected from 67,000 homes in Edmonton.

We are now seeing that individuals are willing to change their behaviour to become environmentally responsible and are also willing, at the local level, to pick up some of the costs. They are quite prepared to pay through their municipal taxes additional money to allow recycling.

The government does not seem to realize that Canadians are quite prepared to pay through a tax system in order to bring about environmental clean-up. I refer to a survey which showed that two-thirds of Canadians would accept a five cent a litre pollution tax on gasoline if the money would be turned back into air pollution control. Six out of ten Canadians would pay 10 per cent on energy consumption in order to promote conservation. Two-thirds of Canadians would accept a 50 per cent increase in the cost of garbage collecting, not just a minor increase, but 50 per cent, if there was a recycling program involved.

The Canadian public is more than willing to start to look at not only their individual behaviour but their tax base as it relates to the environment. We now have to bring in a green tax that will do two or three specific things, particularly as it relates to large corporations. It will provide us with some revenue that would allow us to monitor environmental impact. It would provide us with some funds for cleaning up the environment. It would also allow us funds for research because the new technologies are what we are going to have to develop if we are going to get control over our environment.

Many of the processes we are now using simply are not environmentally sound, but there is no incentive for corporations to do new research if they can get away with using the old technology. We need an environmentally sound green tax that would collect money so we could do things like monitor, clean up and research. It would also give an incentive to users and corporations so it would be more to their economic advantage to change their methods of production and to change their ways of interacting with the environment.

I would like to talk briefly about one of the things that we have to do in the area of carbon fuels. That is one of the major areas where, if there was motivation, government leadership and a proper green tax, we could reduce our carbon fuel use by at least 50 per cent. This would have a significant impact on global warming and on the

quality of air plus on the reduction of a limited resource, our fossil fuels.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I want to say how much I appreciate your recognizing me today to speak on what is a very historic debate. I think that we will look back in years hence and say that this was the day that the House of Commons really began addressing the serious environmental and ecological issues facing not only the country but indeed the planet.

I am pleased to participate in today's debate sponsored by the hon. member for Skeena, the New Democratic Party's environment spokesperson, who moved that this House call upon the government to implement an ecologically sound green tax system.

• (1730)

We sometimes ask what the point of the tax system is, and I think it is fundamentally twofold. One is naturally to obtain revenues for the federal government to enable it to serve the people of Canada in a variety of ways. But the tax system also does other things. It certainly shapes consumer demand, and that is what we are talking about to a certain extent today.

We are most familiar, in times past, with what we called the sin taxes. We would jack up the prices on beer, wine, spirits, and cigarettes, presumably not only to generate revenue but also to encourage people not to use these sin products with the assumption that if the price is high enough people will have second thoughts and realize that not only are these products bad for their health, they are also very expensive.

We also encourage corporate behaviour. We, as a matter of fact, lose billions of dollars each year through our tax system as we encourage companies to locate in certain areas, to invest in certain types of activities, to introduce new plants and equipment, and to conduct various research and development programs. We use the tax system not only to shape consumer demand but also to shape corporate behaviour.

In that respect my hon. friend from Skeena has introduced to us now an approach to use our tax system to encourage not only consumers, but corporations as well, to behave in ways that are environmentally friendly. He has referred to the green tax system or the GTS as opposed to the GST, the goods and services tax, which my hon. colleague has pointed out adequately was very regressive not only in terms of taxing the lower income people at essentially a much higher rate than the upper income earners but also in terms of the environment.

As my hon. friend from Skeena pointed out, the taxes on recycled paper are the same as on unrecycled paper, bicycles are taxed at the same rate as large automobiles, canoes are taxed at the same rate as luxury motor boats, and alternative energy is taxed at the same rate as fossil fuels. This simply shows that as a Parliament we do not distinguish in our tax system between those activities and those products that are environmentally friendly and those that are environmentally unfriendly. The green tax system would differentiate clearly between these types of products and their related behaviour.

I cannot help but bring to the House's attention the fact that Margaret Thatcher, who I suspect is no friend to the environment in many ways, saw the need to introduce a lower tax on unleaded gasoline. Within the year following that tax measure unleaded gasoline tripled its market share which of course resulted in health benefits for British children. Probably a lot of young children are alive today simply as a result of this one measure that encouraged people to use unleaded gasoline. I hate to think for a moment that Margaret Thatcher is ahead of us as a country in terms of dealing with environmental issues. That is why I am so pleased to participate in this historic debate today calling for a GTS, a green tax system, as opposed to the goods and services tax initiative.

I think it is important to recognize that we do not have years and years to deal with the environmental catastrophe that presently faces us. It is happening around us as we speak. There will be cataclysmic implications unless dramatic action is taken. To create a Department of the Environment and so on, to go out to have a look after a major spill has occurred or major toxic wastes has been dumped into a river system, to say "naughty, naughty", to slap somebody on the wrist and to impose a small fine is obviously an approach of the past tense. No longer can we afford to approach the challenges in this way.

That is why this green tax system is so important, because it would reflect the environmental cost of manufacturing a product, for example. Such a tax system would reflect the cost to the environment of dumping toxic substances into lakes and rivers and the cost of dumping chemical waste down river banks and in landfill sites.

To look at something very specific to those of us from British Columbia, those forest companies which are investing in practices that result in sustainable development would be taxed at a different level than those corporations which are involved in practices that are obviously resulting in the deterioration, decline, and destruction of our forest resources. We will say to those companies that that type of corporate behaviour is unacceptable and consequently they will be taxed at a much higher rate than the company that is very environmentally sensitive and is conducting silviculture and reforestation practices at a very sophisticated level to ensure that the forest resource is maintained in perpetuity.

We will be able to reward, on the one hand, and say to those who simply ignore the environmental and ecological implications of their corporate behaviour that this is something that we are not going to accept and they will be paying taxes to compensate accordingly.

Obviously, the green tax system would be used to promote and encourage recycled products. Those manufacturers who use new resources, especially non-renewable resources, would be taxed for these while other manufacturers who use reused resources would benefit. This is one way that we can indicate how serious we are as a Parliament in encouraging those manufacturers that would be open to using recycled material.

Of course, this idea that we can recycle is not a new idea. After all, we do make it financially attractive so that certain companies will recycle copper, batteries, bottles and so on. But we need to extend this to a much greater extent to encourage those firms which it will actually in most cases cost more money to participate in using recycled material. They can be compensated for those additional costs at least in the beginning, by a revised tax system. In that way we will be encouraging those environmentally and ecologically sensitive manufactures.

Under a green tax system styrofoam egg cartons would have an extra tax to reflect the waste that is created in the manufacturing of styrofoam, paid for by the manufacturer, as well as the cost of safely disposing them, which is now paid by the consumer. Again the tax system would be modified so that the users of styrofoam, the manufacturers of styrofoam products and so on, would again be paying a different tax from those who are using products that are much environmentally sound.

I must say that I do not feel comfortable making that statement knowing that in our own lobbies here on Parliament Hill and in the restaurants we are drinking beverages from styrofoam cups. While we speak today we ought to be cleaning up, in our own lobby, to indicate at least some sensitivity even here.

Sticking to the egg carton example, egg cartons that a manufacturer would make out of recycled pulp would be tax exempt or would be taxed at a significantly lower level. Or, perhaps an incentive could be built into the corporate tax system that would require them to use these types of these recycled materials.

We can refer of course to the need to have a carbon tax, recognizing that carbon emissions are very serious polluters in many ways. Not only are the carbon emissions contributing to the greenhouse effect, but carbon emissions combine with sunlight to produce ground level ozone which has serious implications and impact on the health of Canadians. A carbon tax would recognize the heavy cost to the environment of burning fossil fuels. Such a tax would encourage energy conservation and raise revenues for research and development of alternative energy sources.

When we look at what other countries do we see that we are quickly falling behind countries that already have modified their tax systems to fend off the impending global catastrophe. Sweden taxes the active ingredients in pesticides and fertilizers and batteries containing mercury and cadmium. Italy taxes plastic bags. Finland and Norway tax non-returnable containers. Japan, West Germany and Switzerland charge higher landing fees for large, noisy and polluting aircraft.

In our own country those people who choose a smaller fuel efficient car should be taxed on that vehicle at a much lower rate than those people who, for whatever reason, choose a large gas guzzling car, again contribut-

ing much more in terms of environmental deterioration than the person driving a energy efficient vehicle.

One could go on and on in terms of the details that a green tax would incorporate.

• (1740)

I simply want to say that I feel, as I am sure do all the others who participated in this debate and the people who have listened to the debates, that today may be a turning point in that this is the first time such a discussion has occurred in Parliament in terms of using our tax system to motivate Canadians, to motivate the corporate sector to behave in different ways that would be more in tune with a clean environment.

As I say, we do not have ten years to work this out. We do not have five years to discuss this matter. We must move with haste and we must encourage people, not only in Parliament but beyond, to do what we can together to ensure that such a tax system is implemented as quickly as possible.

I give great credit to my hon. colleague for Skeena for initiating the discussion today and introducing a lot of us to the possibility of a green tax system.

Mr. Whittaker: Mr. Speaker, first of all I would like to thank my colleagues for the debate on this topic. I think it is a legitimate topic. It is very topical, if you will; with the times.

I would also like to say what a great opportunity this is for Canadians to look at the option of taxing in the area of environmentally unsound products. I would like to address my question to my friend in the area of agriculture. Within the Similkameen Valley in particular we have what is euphemistically called organic farming. It, of course, uses no pesticides, no herbicides, and no chemically produced fertilizers.

In an area in the Okanagan and throughout the Similkameen Valley where a lot of those products have been used over a good number of years in the agricultural community, we have high levels of phosphates in our water systems and we are in the process of looking at methods of cleaning it up.

It seems to me that the area of organic farming is an area that should be looked at. Does my colleague see a green tax as a way of encouraging research in the area of organic farming and, in fact, encouraging farming methods that will be environmentally friendly?

Mr. Riis: Mr. Speaker, I appreciate my hon. friend's very thoughtful question. I must say that he has touched an area that a lot of us have spent a lot of time thinking about in the last little while, that is, how to encourage the use of organically grown food that is pesticide-free in terms of residue.

I think it is fair to say that at the moment, unfortunately, those foods that are most ecologically sound often cost more because of the way they are grown and the intensive labour involved and so on. I think this green tax provides us with an incredible opportunity to send a very clear signal to those firms, large or small, and those individuals who are presently involved in organic food production, to give them encouragement and provide a tax system that would encourage the development of organic food production and, quite the contrary, increase taxes on those foods that are saturated with herbicides, pesticides and fertilizers of one kind or another.

That is exactly what the consuming public is saying. It is prepared to pay a slightly higher cost, but I think we can do our role by changing our tax system to give all the encouragement possible to develop organic food free of pesticide residues.

I appreciate the comments of my hon. friend who represents part of the Okanagan Valley because I know in his constituency there are a number of individuals who are actively involved. If there is some way we could provide them with encouragement, that would be very satisfying indeed for all of us.

The Acting Speaker (Mr. Paproski): It being 5.45 p.m., it it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the Business of Supply pursuant to Standing Order 81(14).

Accordingly the question is on the motion of the hon. member for Skeena.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the motion, which was negatived on the following division:

(Division No. 120)

YEAS

Members

Allmand	Althouse
Anawak	Angus
Axworthy (Saskatoon—Clark's Crossing)	Bélair
Bellemare	Benjamin
Bevilacqua	Black
Blondin	Boudria
Brewin	Broadbent
Butland	Campbell (South West Nova)
Catterall	Clancy
Comuzzi	Crawford
de Jong	Dionne
Ferguson	Finestone
Fisher	Fontana
Foster	Fulton
Funk	Gardiner
Gauthier	Gray (Windsor West)
Guarnieri	Harvard
Harvey (Edmonton East)	Heap
Hopkins	Hunter
Jordan	Kaplan
Karpoff	Kilger (Stormont—Dundas)
Kristiansen	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacLaren	MacWilliam
Maheu	Marleau
McGuire	Milliken
Mitchell	Murphy
Nault	Nystrom
Parent	Peterson
Phinney	Pickard
Proud	Riis
Robichaud	Rodriguez
Samson	Speller
Stewart	Stupich
Taylor	Vanclief
Volpe	Walker
Whittaker	Young (Beaches—Woodbine)—74

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Belsher	Bernier
Bertrand	Bird
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bosley	Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)	Bourgault
Boyer	Brightwell
Browes	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Champagne (Champlain)
Charest	Chartrand
Clark (Yellowhead)	Clark (Brandon—Souris)
Cole	Collins
Cook	Cooper
Corbeil	Corbett
Côté	Couture
Crosby (Halifax West)	DeBlois
de Cotret	Della Noce
Desjardins	Dick
Dobbie	Domm
Duplessis	Edwards
Epp	Fee
Feltham	Ferland
Fontaine	Friesen
Gérin	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hockin
Horner	Horning
Hudon	Hughes
Jacques	James
Jelinek	Johnson
Joncas	Jourdenais
Kempling	Kilgour (Edmonton Southeast)
Koury	Landry
Langlois	Layton
Leblanc (Longueuil)	Lewis
Lopez	MacKay
Marin	Martin (Lincoln)
Mayer	Mazankowski
McCreath	McDermid
McKnight	McLean
Merrithew	Monteith
Moore	Nicholson
Nowlan	Oberle
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Robitaille	Roy-Arcelin
St-Julien	Schneider
Scott (Victoria—Haliburton)	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Tétreault
Thacker	Thompson
Thorkelson	Tremblay (Rosemont)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Van de Walle	Vankoughnet
Venne	Vézina
Vien	Vincent
Weiner	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)	Winegard
Worthy—133	

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I would like to ask the government House leader what the business for tomorrow will be. Has he any idea what bills will be called tomorrow morning?

Mr. Lewis: Mr. Speaker, earlier this afternoon I had the opportunity, which perhaps my hon. friend does not have, to communicate with his House leader. It was agreed that we would call Bill C-38, legislation dealing with the Federal Courts Act, followed by the forestry legislation at third reading. On Thursday, we will call Bill C-21, the amendments to the Unemployment Insurance Act. It will be the first day of third reading.

Mr. Gauthier: Mr. Speaker, I attended that meeting. I asked the question so that all members of this House will

know what is going on and so that they will know that there are no secret meetings.

Some Hon. Members: Oh, oh!

Mr. Schneider: Mr. Speaker, I rise on a point of order. While at a committee meeting in Room 536 of the Wellington Building we noticed, thanks to a reminder from someone with the Clerk's office, that the time was pressing on. The time was five minutes to six o'clock and the bells calling us to vote had not sounded. I wanted to bring that to your attention.

The Acting Speaker (Mr. Paproski): It being 6.15 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.15 p.m.

HOUSE OF COMMONS

Wednesday, November 1, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

TOWN OF BANFF

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, it is with great pleasure that I draw to the attention of this House an event of historical importance in Banff, Alberta, today. November 1, 1989, marks a significant step forward for the town in its advancement toward municipal government.

Starting today the mayor-elect, councillors, and school district trustees will join with the Banff Municipal Committee to facilitate the orderly transition of authority, for on January 1, 1990, through the co-operative effort of the Hon. Lucien Bouchard, the local authorities and the provincial government of Alberta, Banff will become a town with an elected mayor and council.

I am sure that my fellow members here in this House of Commons will join with me in wishing the Banff town council every success in its future endeavours in local government.

* * *

FIREFIGHTERS

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, earlier this year I contacted the Minister of Finance about the $500 deduction allowed to volunteer firemen across Canada. This $500 exemption can only be called a pittance in light of the costs incurred by these volunteers for such things as car insurance, clothing, cleaning bills and cost of gasoline, not to mention the danger that these men and women put themselves in the path of. All of this is incurred in the name of community duty.

The minister has refused to raise the exemption to a well deserved $1,000. A few days ago the Auditor General advised that the Minister of Finance is "letting hundreds of millions of dollars slip through his hands". Further, the Auditor General, Mr. Dye, points out that nothing has been done to close the loopholes which represent a loss of revenue to the government in the order of $350 million a year.

I suggest that the minister's mistake is being compensated for at the expense of a fine group of people, a group of people that I think deserve our respect and, at this time, at least a little more in the exemption that they can claim. These are the very proud volunteer firemen of Canada.

* * *

NORTHERN TAX ALLOWANCE

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, on October 27 the task force on tax benefits for northern and isolated areas reported to the Minister of Finance and recommended that he initiate massive cutbacks to a program which until now has tried to address the economic needs of Canadians who live in northern and isolated areas. Those cuts will disqualify 150 Saskatchewan communities and thousands of Saskatchewan families from appropriate tax breaks and discourage future community investment and development in these important parts of our province.

On behalf of my colleague, the member for Prince Albert—Churchill River and my other Saskatchewan colleagues in the New Democratic Party, I call on the Minister of Finance to immediately reject these recommendations which do not address the needs of northern people. I ask that he make a real commitment to reform the northern tax benefit program so that he provides a fair and equitable response to the economic realities in these communities.

S. O. 31

[*Translation*]

TRAVEL EXPENSES

Mr. Guy St-Julien (Abitibi): Mr. Speaker, since the Auditor General's press conference, federal Liberals and New Democrats have constantly denounced the air travel expenses incurred by Members of our Government. Of course, they overlook the sound expenditure cuts made by our Minister of Transport (Mr. Bouchard) to save Canadian taxpayers' money. For example, I would like to give the details of my latest trip in the North, where our Minister sent me to open the airports in Salluit and Kangirsujuaq from October 19 to 21. I went to Québec City to take the Québec Government's F-27. In two and a half days, I covered over 5,000 kilometres and my expenses were only $662.35 in all. This includes accommodation at the Confortel Motel in Québec City for $47, lodging in Salluit and Montreal for $164, four meals for $32.35, two taxis for $15 and airfare of $404.

Mr. Speaker, this trip is the third of its kind that I have made at the Minister's request and we thus saved over $75,000. I congratulate the Minister and thank the Government of Québec.

* * *

[*English*]

SOUTH AFRICAN DEBT

Mrs. Christine Stewart (Northumberland): Mr. Speaker, on September 28 the Secretary of State for External Affairs said that major banks co-ordinating South Africa's debt "agreed that they would be seeking the highest possible interest payments and the fastest possible repayments". As we all know, this did not materialize. In fact, South Africa won more favourable terms on its agreement with the banks for debt rescheduling. In light of the propaganda victory for South Africa, the words of our Secretary of State for External Affairs have become an embarrassment.

The strategy failure of this government with regard to South Africa demands that the Prime Minister immediately commit to his four-year-old promise made to the United Nations where he stated: "My government has said to Canadians that if there are not fundamental changes in South Africa, we are prepared to invoke total sanctions against that country and its repressive regime".

Although we can hope the present government in South Africa may reconsider its apartheid policy, we know that it is increased sanctions, not hope, that will influence the required changes.

• (1410)

Lest the Prime Minister lose all credibility nationally and internationally with regard to his stated position to mount the necessary anti-apartheid policies, sanctions against South Africa must be increased today.

* * *

[*Translation*]

FINANCE

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, for several weeks, Opposition Members have denounced the proposed goods and services tax and claimed that all Canadians are against it.

I am now consulting my constituents in Montmorency—Orléans on the GST and the comments I receive tell me that when they are well informed about the deficit, a large majority of people in my riding support the GST in principle.

For example, a businessman in Sainte-Famille on the Isle of Orleans, Georges-Henri Blouin, wrote to me: "I do not like the GST, but we have no choice, the deficit must be reduced. The debt did not start yesterday. Governments have come and gone and the debt goes up all the time. This must stop and I hope that you will stand firm."

Mr. Blouin adds: "It is the same thing for VIA Rail. People want the train but do not take it. This has gone on far too long already. Sincere congratulations."

Mr. Speaker, Canadians appreciate the strong action taken by our Government to ensure their future and their children's.

* * *

[*English*]

NORTHERN TAX ALLOWANCE

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, on October 27 the task force on tax benefits for northern and isolated areas reported to the Minister of Finance and recommended that he initiate

massive cutbacks to a program which until now has tried to address the economic needs of Canadians who live in northern or isolated areas. These cuts will disqualify many communities in northern B.C. and discourage future community investment.

On behalf of the member from Skeena, and presumably the member from Prince George—Peace River, I call on the Minister of Finance to immediately reject these recommendations which do not address the needs of northern people. I ask that he make a real commitment to reform the northern tax benefit program so that it provides a fair and equitable response to the economic realities in these northern communities.

* * *

FISHERIES

Mr. Peter L. McCreath (South Shore): Mr. Speaker, on October 17, the FTA panel reported its conclusions on the B.C. salmon and herring issue. Canada is not bound to accept the ruling.

The decision to accept or not to accept would seem to pit the interests of fishermen against the interests of plant owners. One thing that is unclear is the implications of the panel decision for the Atlantic fishery, particularly in view of the Americans' apparent predisposition to apply the principles of the decision to the Atlantic fishery.

Seafood producers in Nova Scotia and Newfoundland fear that land-based processing jobs could be imperilled if the implication of the decision is that over-the-side sales could become rampant. On the other hand, fishermen could be short-term beneficiaries of higher prices.

Failure to accept the ruling would likely bring about immediate retaliation against east coast fisheries, particularly Nova Scotia lobsters.

I urge the government to use all the time available before making its decision. Possibly the best solution for all concerned would be to set the decision aside and to seek to negotiate an alternate agreement with the United States. In either case, full consultation should take place with all affected sectors and parties before any decision is taken or announced.

S. O. 31

SARNIA PETROCHEMICAL INDUSTRY

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today under the provisions of Standing Order 31 to draw to the attention of the House that Polysar Limited of Sarnia, Ontario, was established by the Government of Canada during World War II. It has become a world class international petrochemical company operating in all global geographies.

It has provided employment opportunities to all production and corporate levels in the Sarnia—Lambton area over many years. This company has pioneered new technologies from its highly skilled research and development laboratories.

I bring to this House today my deep concern about rumours of impending layoffs in the Sarnia based operations of Polysar by Nova Corporation which acquired controlling interest in this company in 1988. This Sarnia operation is a world scale plant and has operated profitably over the years and, in several cases, employed technologies developed and introduced by Polysar.

There are early indications that the research activities are being curtailed. The consequences are serious for Canada in terms of our international competitiveness and the loss of opportunities for the graduates of our colleges and universities.

I call upon the government to investigate and report to the House on the impact of these cutbacks in the petrochemical industry and its research capabilities in this major and only Canadian owned petrochemical industry.

This government has a responsibility in this matter because it was through its policy of privatization that Polysar was purchased by another company, the priorities of which may not be research and development on a world scale. This company has been consistently profitable and it will be a major setback to Canada, and the Sarnia—Lambton region in particular, if these cutbacks take place.

* * *

ELK ISLAND SENIOR CITIZENS HOUSING

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, the Minister of State for Housing has shown his commitment to the riding of Elk Island with support for senior citizens' housing. Through the Canada Mortgage and Housing Corporation, the federal government will be

providing an estimated subsidy of $243,515 per year for the next 50 years to Elk Island senior citizens at Lakeside Legion Manor in Sherwood Park, Alberta. This financial support will continue throughout the amortization of the mortgage in order to assist with operating costs.

Our senior citizens are important and this support from the housing minister is solid evidence that the Government of Canada is committed to our seniors. Let us work together in Canada to continue to support housing for the people who built this country. Let us work together to provide a brighter future for our senior citizens. Let us all work together for a better Canada.

ORAL QUESTION PERIOD

[*English*]

MEMBER OF THE SENATE

Hon. Bob Kaplan (York Centre): Mr. Speaker, since the Conservative government has come to office, the opposition has been raising questions about the way in which this government conducts public business. Whether it is privatizations, whether it is the awarding of defence or Air Canada contracts, whether it is the construction of public buildings or the leasing of space in private buildings, whether it is getting funds for government programs or loans from government sources and whether these transactions in the end are legal or illegal, there are two constant themes which emerge. Friends of the Prime Minister are making lots of money, usually public money, and the awards are made without respect, in fact with nothing but contempt, for the taxpayer.

I want to ask a question of the Minister of Energy, Mines and Resources. Yesterday it was shown that Senator Cogger's firm was getting money from the Federal Business Development Bank. Today it is revealed that he received $2,500 for getting a $340,000 grant from the department of energy.

Will the Minister of Energy, Mines and Resources tell us how, after departmental records show that the ministry's Enerdemo budget was exhausted and the applicant for funds was informed that it was exhausted, Hydromega was able to obtain the largest grant made under the program, ten times the average? What role was played by Senator Cogger in finding this money that made Hydromega feel obligated to pay him $2,500?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, this morning when I heard the first allegations on morning television I asked the Department of Energy, Mines and Resources to prepare for me every bit of information relating to the Hydromega application, as well as a chronology of the events surrounding Hydromega. Approval, subject to funding approval, was granted to Hydromega on the basis of project criteria in 1987 and funding approval was granted January 26, 1988.

With respect to the allegations that the hon. member made at the end of his question, I am advised that there is no record within the department of any representation that Senator Cogger made, either verbally or written.

Mr. Kaplan: Mr. Speaker, we have it on the record that he received a $2,500 payment for his work in connection with that matter.

I want to ask the Deputy Prime Minister about the answer given yesterday by the minister responsible for the Federal Business Development Bank. He said that he saw no difficulty with the bills being sent by Senator Cogger being paid. Yet the law makes it very clear—and I will read from the Parliament of Canada Act—that:

> No person who is a member of the Senate shall, directly or indirectly, knowingly and wilfully be a party to or be concerned in any contract under which the public money of Canada is paid.

It is not argued that Senator Cogger did not send in the invoices for payment, nor that the payments made by the corporation were mailed to Senator Cogger.

• (1420)

I want to ask the Deputy Prime Minister on behalf of the Prime Minister to direct the minister responsible for the bank to review the safeguards which the bank has in place to assure that the law is complied with, to bring those safeguards into compliance with the law and, in particular, to get back that money for the taxpayers of Canada paid to the Senator's firm.

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, on receipt of the information yesterday respecting this matter, of course we checked with the Federal Business Development Bank and were assured that in every case the decision to hire Lapointe Rosenstein was taken by FBDB. In every case the legal

services contracted for were provided. In every case the invoices which asked for payment to Lapointe Rosenstein were examined by the comptrollers within the corporation. The whole receipt of invoices and payment has been audited. There is no evidence whatever of wrongdoing on the part of the Federal Business Development Bank.

Ms. Copps: What about the senator?

Mr. Kaplan: Mr. Speaker, no one is arguing about whether work was done by the law firm. I listened to the statement made by the senator in the other place yesterday. The burden of what he had to say was to confirm the charges we were making in the House. In particular, the senator did not deny that he did part of the work and he did not deny that he may have benefited from the payment that was made by a corporation of the Crown to that law firm contrary to the section of the act that I have just read.

I therefore want to ask the Deputy Prime Minister whether he is at least prepared to take the advice of his colleague, the MP for Mégantic, and agree that the senator should resign from the caucus.

Mr. Andre: Mr. Speaker, the allegations made by the hon. member ought to be and I understand are being dealt with in the other place, most appropriately. Nothing the hon. member has suggested has anything to do with the administration of the Government of Canada.

Ms. Copps: Come on.

Mr. Andre: In terms of the administration of the Federal Business Development Bank—

Ms. Copps: Did he break the law?

Mr. Andre: I hear the hon. member from Hamilton East shouting from her seat again.

Ms. Copps: Wrong member.

Ms. Clancy: She's not alone.

Mr. Andre: I and my colleagues are prepared to answer for the administration of the Government of Canada in terms of the Federal Business Development Bank. I am convinced, on the information it has provided, that its behaviour is unassailable, that, in fact, it paid for legal services it has been acquiring from this firm for decades.

If the hon. member has an accusation to make against the senator, it should be made in the other place by himself and by his colleagues in the other place. It does not deal with the administration of the Government of Canada.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I would like to ask a question of the Deputy Prime Minister. I want to tell the Deputy Prime Minister that the answer we just heard is totally inadequate and that the people of Canada expect answers to be coming from this House and from the government across the way. Concerning the issue of the energy department, can the Deputy Prime Minister, he who is the administrator of the conflict of interest rules, tell this House how the firm Hydromega GP Incorporated got the $340,000 grant from the federal government, a grant that just happens to be 10 times what it usually is? Was it because Senator Cogger had lobbied on behalf of the company? Is that the reason, or is it just a coincidence that the right conservative is there at the right time to collect the cash?

Mr. Epp: Mr. Speaker, in answer to the member's question, and going back to the question that was asked by his colleague, I say to him there is not a record of any payments that have been brought to my attention, any information brought to my attention, with respect to the Department of Energy, Mines and Resources of any payments being made by the department to anyone but Hydromega which, on July 10, 1985, made its first application for approval of a grant.

As I said to the House earlier, I asked for a chronology record. I have asked for every piece of information. I have been advised that the record is as I have given it, the requests were made, the approval was made prior to January, 1988, and the funding was approved in January, 1988.

Mr. Boudria: Mr. Speaker, with respect, the questions are not being answered.

[*Translation*]

I would now like to put the following question to the Deputy Prime Minister who is responsible for monitoring compliance with our conflict of interest legislation. In 1974, Mr. Jean-Claude Boutin, a lawyer and Québec MNA, had to resign his seat because his law firm had

received payment for fees billed to the Crown while he was an MNA. Considering this precedent, what steps does the Deputy Prime Minister intend to take to deal with this new crisis of confidence within his government? What specific steps? Will we get an answer?

[*English*]

Mr. Andre: Mr. Speaker, I have not yet heard in any of the questions asked by the opposition, where, in fact, the administration of the Government of Canada is being called into question. The opposition members keep asking about the behaviour of a member of the other place. The proper place to raises those questions is in the other place.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. But I say to the minister who just answered that the Senate of Canada happens to be part of the Parliament of Canada and we have a responsibility here to make sure justice is done.

I listened with care to what the minister just said, and he was taking care with what he was saying, I noted, from his notes. The senator in question himself is quoted as saying, and these are his words: "I like to think that I have been helpful to Hydromega". He says he has been helpful; presumably not washing cars for the building or doing something like that. The private citizen involved, with reference to the senator said, "He was asked for a favour and he asked for one in return". The minister knows this is extremely serious. In the United States this would be an indictable offence if this were the case.

Mr. Speaker: Just a moment, what it might be somewhere else is one thing, but if the suggestion is being made that it is necessarily an indictable offence here, that suggestion—.

Mr. Broadbent: No, no.

Mr. Speaker: Just a minute.

I think that hon. members will agree that the Chair is trying very hard to make sure that proper inquiries are made, but the Chair is not interested in allegations being made with reference to somebody else's law in another country. The hon. member will continue his question.

Mr. Broadbent: Mr. Speaker, the Minister of Energy has quoted officials who said that they were not approached by Mr. Cogger. Mr. Cogger has said publicly that he was doing something on this deal, and the man on the business side of it says the same thing about Mr. Cogger. Has the Minister of Energy directly put the question to Senator Cogger himself and, if so, what did he say?

Mr. Epp: Mr. Speaker, again I say to the Leader of the NDP that information was given to me respecting the work that was done this morning. I think I was very clear when I answered the first question. I said that when I heard the allegations on public television this morning I asked for all the information. The information that I have been given is the information that I have given to the House. I have not asked Senator Cogger directly or indirectly for any verification of the allegations.

Mr. Broadbent: Mr. Speaker, I say candidly to the minister that that is totally irresponsible. The senator in question is a member of the minister's own caucus and if he were interested in public probity he would have put that question directly to the senator before Question Period today.

• (1430)

Could the Solicitor General inform the House if there is an investigation under way in this very, very serious matter of public policy?

Mr. Epp: Mr. Speaker, the leader of the NDP says that these allegations on these matters are serious. I take them very seriously. I do not think there is any great point in the hon. member making some of the allegations without substantiation.

I want to say this to him. He said that it was irresponsible on my part that I "had not asked the senator directly". I refer the hon. member to a statement which was made by the senator today regarding the matter in which he places disclaimers that he has not either received money or made representations to the department.

Mr. Broadbent: Mr. Speaker, I say through you, Sir, to the minister that we all hope, frankly, that what the minister has just said is the case. The public information that has been given, as the minister knows, is to the contrary. There was a cheque for $2,500. I ask not the

Minister of Energy here again but the Solicitor General whose department has direct responsibility for this matter.

In view of the fact that the public has a major interest in the confidence that the administration of public funds is being done with full regard to the law, will the Solicitor General now tell the House whether his officials are investigating this, including having interviews with the senator and all those others who are involved?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, my colleagues already answered those questions a few minutes ago—

Some Hon. Members: Not so!

Mr. Blais: The matter is before the other place at this very moment, and it should be dealt with internally. It is not the first time this sort of thing has happened—

Some Hon. Members: It certainly isn't!

Mr. Blais: As far as I know, this is not the first person to be involved in this sort of thing.

Some Hon. Members: Oh, oh!

Mr. Blais: The matter should be dealt with before the appropriate forum, in the other place, Mr. Speaker.

[*English*]

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Solicitor General. I want to direct him to Section 16 of the Parliament Act.

Section 16(1)(b) states that no member of the Senate shall receive or agree to receive any compensation, directly or indirectly, for services rendered or to be rendered to any person, either by the member or another person, for the purpose of influencing or attempting to influence any member of either House.

According to *The Gazette* of Montreal it was reported today that Senator Cogger admitted setting up a luncheon for representatives of Hydromega with two conservative members of Parliament following which he sent a bill for professional services to Hydromega and was paid in return $2,500.

I want to ask the Solicitor General, is he investigating whether this conduct could be a breach of Section 16 and what, in general, is he doing to see that this section of the Parliament Act is being enforced?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I answered the question a few minutes ago.

Mr. Robichaud: No, you didn't!

Some Hon. Members: That's not true!.

Mr. Blais: I said the matter was raised yesterday in the other place, and I think we should let the other place proceed—and see whether the question was properly dealt with, Mr. Speaker.

For the time being, I have no intention of making any commitment whatsoever in this respect.

Mr. Gray (Windsor West): Mr. Speaker, the Solicitor General should read section 16 of the *Parliament of Canada Act* which speaks in terms of offence and punishment if a senator does anything "for the purpose of influencing or attempting to influence any member of either House".

I want to ask the Solicitor General or the Minister of Justice what they are doing to enforce compliance with this section of the *Parliament of Canada Act*. This is not the responsibility of the Senate but of the ministers responsible for the administration of justice.

Why won't these ministers answer the question and discharge their responsibilities?

[*English*]

Why do these two ministers not accept their responsibilities under this law of Canada?

[*Translation*]

Mr. Blais: Mr. Speaker, speaking of discharging one's responsibilities, it is certainly up to those who make charges to make them where they should be made. If you have any specific charges to make— If there are people representing you in the other place, it is up to them to do the job.

These are allegations, and if you have any charges to make, you should make them in the proper forum, and that forum is not the House of Commons.

FISHERIES

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, my question is directed to the Minister of Fisheries. The situation of the fishery industry in New Brunswick, and especially in the Acadian peninsula, is deteriorating rapidly.

Several plants have already shut down and several hundreds of working men and women have been laid off. If there is no crab fishing next spring, between 7 000 and 8 000 more jobs will be in jeopardy.

My question is simply this: What special attention will the Minister give to the crab fishing problem in the gulf?

[*English*]

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I had the pleasure of meeting with the Minister of Fisheries for New Brunswick last week to discuss this matter and other matters in Saint John, and also with groups of fishermen's representatives concerned about the crab fishery and other related fisheries in the southern gulf region.

With regard to the future of the snow crab fishery, I should tell the hon. member that we are carefully assessing the state of that important crab stock which has been a source of abundance to the fishing industry in the southern gulf these past several years. We do not yet have a scientific report on the extent to which we will have a quota available to the crab fishery in 1990. As soon as that evidence becomes available, the hon. member will be so advised.

[*Translation*]

Mr. Robichaud: Mr. Speaker, the Federal Government has done absolutely nothing to correct the situation. The Provincial Government has already put a plan into action in the form of an intensive diversification program for the crab industry and its workers.

Is the federal government or the minister willing to participate immediately in such a diversification program, in order to have it in place before the crab fishing season, next Spring? Is he ready to get involved right away?

[*English*]

Mr. Siddon: Mr. Speaker, the hon. member will recall that earlier this year a special federal–provincial program of assistance was announced to assist the fish plant workers and reorient them by my hon. colleague, the Minister for Employment and Immigration.

When we are looking to 1990, the hon. member knows there is a process of consultation with the industry based on scientific advice. We will establish quotas and determine what additional forms of assistance might be required in the months ahead.

* * *

MEMBER OF THE SENATE

Mr. John Brewin (Victoria): Mr. Speaker, I want to follow up with the Solicitor General. He has now had two chances and I am going to give him one more. Because he has not answered the question on the two previous occasions, will the Solicitor General stand in the House now and tell this House that he has launched an investigation of the allegations that have now been current for the last two days in respect of the hon. Senator Cogger?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): If necessary, Mr. Speaker, I am prepared to repeat two, three, or even five times that these are mere allegations. The appropriate forum to deal with this matter is the other place. It is there that they should decide whether charges should be laid or considered. I suggest this is not the responsibility of the House of Commons.

[*English*]

Mr. Brewin: Mr. Speaker, the Solicitor General is responsible for the RCMP and for the administration of justice. Will he stand up and tell this House that he will no longer neglect his duty and will launch an investigation right now?

[*Translation*]

Mr. Blais: Mr. Speaker, my hon. colleagues have already replied several times to these questions since the beginning of the Oral Question Period. These are simply allegations dealing with a member of the other place. A reply was made in the other place yesterday and I suggest it is the responsibility of their members to deal with these issues.

The House of Commons is not the proper forum for this.

* * *

• (1440)

DAIRY INDUSTRY

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of State (Agriculture) and involves dairy producers in my constituency, in Quebec, and in Canada, who are concerned about the GATT negotiations, especially after the recent ice cream and yogurt ruling which is harmful to their interests and could jeopardize our marketing boards. Can the Minister assure the dairy industry that they will be well represented and that our negotiators will be well informed so as to defend the interests of our dairy producers next week, at the coming GATT meeting of November 7?

Hon. Pierre Blais (Sollicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, this is a good question from the Hon. Member, and indeed the current GATT negotiations are very important for Canadian marketing boards. For that reason, we are pleased that the Chairman of Quebec's milk producers sits on the Canadian strategy committee, in order to ensure that Canadian interests, the interests of producers and the dairy industry in general are well represented. We believe the dairy industry is vital for Canada, and the Canadian Government will do everything it can to protect the interests of Canadian farmers, as we have done in the past.

* * *

[*English*]

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to members' attention the presence in the gallery of Mr. Imre Pozsgay, Minister of State for the Republic of Hungary.

Some Hon. Members: Hear, hear!

Mr. Speaker: I wish to also draw members' attention to the presence in the gallery of Mr. Zigmas Vaisvila, Deputy in the Congress of People's Deputies in the U.S.S.R. and Deputy in the Republic of Lithuania, Supreme Soviet.

Some Hon. Members: Hear, hear!

MEMBER OF THE SENATE

Ms. Mary Clancy (Halifax): Mr. Speaker, I would like to return to the Cogger affair.

I would like to say that the Solicitor General of Canada has claimed that this matter was discussed yesterday in the other House. The revelations regarding Hydromega were only announced this morning, so it would have been pretty difficult for them to have been discussed yesterday.

I want to ask the Solicitor General, and I trust that he will give us an answer, does he intend to do his job under Section 16 of the Parliament of Canada Act?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I can only repeat what I said earlier. This matter is in the other place, and the other place should deal with that.

Ms. Clancy: Mr. Speaker, it is a hard life for lawyers in this House but this time I will try the Minister of Justice.

Under an act respecting the Department of Justice, Section 4 states: "The minister is the official legal adviser of the Governor General and a legal member of the Queen's Privy Council for Canada and shall see that the administration of public affairs is in accordance with the law".

I ask the Minister of Justice, will he perhaps do his job?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, my colleague has made it very clear that this is a matter for the Senate. That is where the job should be done.

Some Hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Broadview—Greenwood.

Mr. Milliken: This man should be in jail.

Some Hon. Members: Oh, oh!

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker—

Mr. Speaker: That allegation was clearly heard by every member in the House and across the country. The difficulty is that it was probably intended to be heard, and that is not satisfactory in this House. That is the very thing that while there has to be inquiry and there has to be answers, that kind of allegation is, if anything, at very

worst, terribly immature but yet it is also not proper to be made.

I would ask hon. members to refrain from making comments like that. The Speaker is making every effort so that proper questions can be asked. I am laying down a line beyond which it is not appropriate to go because it is not fair. I ask hon. members to co-operate.

The hon. member who was asking the question, will continue.

Mr. Milliken: Mr. Speaker, if I said something over the microphone that should not have been said I apologize and withdraw the remark. I can discuss the matter with Your Honour later and deal with the matter at that time.

Mr. Speaker: I did not single out a particular member. The hon. member has risen and apologized. I appreciate that. We shall proceed with questions. The hon. member has the floor.

* * *

MULTICULTURALISM

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, we on this side of the House have always believed that we are a multicultural nation. We have always defined multiculturalism as meaning that no one culture is any less or greater than another.

Last night in our committee on multiculturalism the minister refused to give a definition of a multicultural society. In the absence of the minister responsible for multiculturalism and the Prime Minister, my question to the Deputy Prime Minister is what is this government's view of a multicultural society and a distinct society?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, if the hon. member is asking for an opinion, I think that is an inappropriate question.

Mr. Mills: Mr. Speaker, that is the problem with this government. They do not seem to like to define things. They refuse to define things.

Mr. Speaker: Perhaps the hon. member could put the question and we will see what the answer is.

Mr. Mills: Mr. Speaker, in the minister's own press release last night he states, and I quote:

> —the Department of Communications is grappling with how they implement multiculturalism.

If the Department of Communications is grappling, what are other departments doing? Who is responsible in this government for multiculturalism?

Mr. Mazankowski: Mr. Speaker, I know that the party of which the hon. member is a member is wrestling and grappling with the issue of multiculturalism. They really do not know where they stand. I will tell you where the Conservative Party of Canada stands. We stand four-square behind the multicultural mosaic which has been an important feature of Canada. It is part of our strength and part of our heritage. We will continue to defend it.

Some Hon. Members: Hear, hear!

* * *

MEMBER OF THE SENATE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Solicitor General. I have here a letter from the Federal Business Development Bank to the Hon. Michel Cogger:

[*Translation*]

> Dear Sir:
>
> Please find herewith a cheque for $27,000 covering your invoice for professional services rendered in reference to your file number 17615.
>
> Yours truly,

[*English*]

It is signed by S. M. A. Desjardins. That is a letter that went from the Federal Business Development Bank to Senator Cogger. It seems to me that the FBDB is clearly in violation of the act as well because they participated in an illegal contract.

I want to ask the Solicitor General if he is prepared now to deal with and investigate the role of the FBDB in the payment to Senator Cogger.

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the hon. member made the accusation that the FBDB participated in an illegal act. That comment is totally out of order and if you were not being diverted by the hon. member—

Some Hon. Members: Oh, oh!

Mr. Lapierre: Are you the Speaker now?

Mr. Andre: Mr. Speaker, the hon. member for Nickel Belt made the accusation that the FBDB participated in an illegal act. I think that statement is out of order and he should withdraw it.

In any event, I want to point out to the hon. member that the cheque in question for $27,000 in payment of that invoice was made out to the law firm of Lapointe Rosenstein which provided the legal services for which FBDB paid.

• (1450)

If the hon. member would like to make that accusation again of illegal behaviour, perhaps outside where he does not have immunity, we could then deal with him.

Some Hon. Members: Outside the House.

Mr. Rodriguez: Mr. Speaker, if I said they participated in an illegal act, I withdraw that and I will put in "they may have". I am not afraid to apologize.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: I wish other people around here would take their responsibilities as seriously.

Some Hon. Members: Hear, hear!

Mr. Speaker: Perhaps the hon. member could put his question.

Mr. Rodriguez: Mr. Speaker, since the Minister of Consumer and Corporate Affairs wants to answer questions, I will put this one to him.

My question is this. When the bank's comptroller questioned the payment of the invoice, he was not given the reasons for the payment. He was told in fact "You pay it".

I want to ask the minister: Why were the reasons withheld? Is it not the practice that in fact these fees from law firms have to go before some sort of arbitration process to weigh the accounts? I want to ask him: Why were these reasons withheld from the bank's comptroller on the instructions of the bank's president? Is this just another form of what the Prime Minister says "You dance with the ones who brung ya"?

Mr. Andre: Mr. Speaker, for a couple of decades at least the FBDB has been contracting with the law firm of Lapointe Rosenstein for legal services. They did it before 1984. They have done it since. They will undoubtedly do it in the future.

As usual, when the services have been provided an invoice is sent and the bank pays it. I have asked the FBDB whether in fact these services were contracted for, whether they made the decision to hire the firm, they said they did. Were the services provided? Yes, they were. Was there anything irregular? There was nothing irregular. That is what they tell me.

If the hon. member would have the courage to make a charge to back up his implications and live with the consequences, he would be showing a lot more character than he is showing now.

* * *

SKYLINK AIRWAYS

Mr. Stan Wilbee (Delta): Mr. Speaker, my question is for the Minister of Transport. Recently, Transport Canada cancelled the operating licence of Skylink Airways for safety reasons. It is now my understanding that they may now be taking reservations again. This concerns some of the consumers in British Columbia.

Could the minister clarify for the House today just what the status is of Skylink Airways?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the licence for Skylink was cancelled a few weeks ago for safety reasons. I do not know if the company is making reservations. There is something I know—the licence will not be given back to the company.

* * *

MEMBER OF THE SENATE

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to direct a question to the Minister of Consumer and Corporate Affairs about the Cogger affair.

I have in my hand a letter from SMA Desjardins of the Federal Business Development Bank. I am going to quote the letter verbatim in its original French. It is addressed to:

[*Translation*]

Honourable Michel Cogger, Q.C.
Lapointe, Rosenstein
Montreal

Please find herewith a cheque for $27,000 covering your invoice for professional services rendered in reference to your file.

[*English*]

I want to ask the minister if this was just a normal account reflecting professional services rendered by Lapointe Rosenstein, why was the covering letter for the cheque addressed specifically to Michel Cogger, talking about payment for "your account" and "your file"? Can the minister explain that, even though it is impossible to explain the unexplainable?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, from the documents released by the FBDB under access to information, there is, as the Senator indicated, a letter from Senator Cogger to FBDB enclosing an invoice from Lapointe Rosenstein for services provided. The FBDB returned a letter to Senator Cogger stating: "Enclosed is the cheque in payment of the invoice". If the hon. member has that letter in his hand, he will also have a photocopy of the cheque for $27,000 to the law firm of Lapointe Rosenstein.

Mr. Gray (Windsor West): Mr. Speaker, I have a supplementary question for the hon. member. Can he tell us whether or not any of that money ever went to Senator Cogger? If he cannot tell us, does he not think he should get us the answer in view of the fact that it is his responsibility as minister responsible for the Federal Business Development Bank to ensure that the agency respects Section 14 of the Parliament of Canada Act, which states that no person who is a member of the Senate shall, directly or indirectly, knowingly and wilfully be a party to or be concerned in any contract under which the public money of Canada is to be paid?

Let us have some straight answers for a change.

Mr. Andre: Mr. Speaker, that is precisely the question which is quite properly the jurisdiction of the other place.

Some Hon. Members: Oh, oh!

Mr. Andre: If the hon. member is a lawyer, I would like him to reread that section and find in there any condition, any indication that the FBDB is responsible to see that every cheque they send out in answer to an invoice does not indirectly end up in the hands of a senator or a member of Parliament. I want him to point out where that legal responsibility rests. He knows that is absurd.

* * *

HEALTH

Mr. George Proud (Hillsborough): Mr. Speaker, my question is to the Minister of Labour, the Acting Minister or the Parliamentary Secretary.

At a press conference this morning the CLC stated that there will be an emergency meeting on November 16 with the council of governors of the Canadian Centre for Occupational Health and Safety to discuss ways of restoring this great organization.

My question is, will the government not only listen to the proposals that will be forthcoming, but will the government take these proposals seriously?

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Mr. Speaker, we are in constant discussion with CCOHS. They are anticipating a new plan to be brought forward to look at their future and how they will economically facilitate the carrying on of that very important centre. The task force, members of the board of governors, along with the chairperson are working toward the goal of bringing that plan forward by January 31.

Mr. Proud: Mr. Speaker, if it is found that more time is required to secure alternatives to maintain this centre as a world leader, will the government agree to continue full funding for at least two years as has been requested already?

Mr. James: Mr. Speaker, the chairperson of CCOHS has come forward with a request for extended time. The minister has responded that we would like to have a plan back to the minister by January 31, 1990. Funding of $5.1 million is going to the centre next year, 1990. The following year the centre will be fully cost recovered and the government will then not participate any longer directly through funding.

* * *

• (1500)

[*Translation*]

AIR TRANSPORT

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, my question is for the Minister of Transport.

The Minister admitted yesterday that Pearson Airport is not able to meet present needs. More than 13 airlines, including Intair of Saint-Hubert, have reportedly been refused the additional slots they need.

Will the Minister now admit that his decision to cut VIA Rail has only worsened the situation?

Mr. Speaker, his department's incompetence in planning is obvious.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, if the Hon. Member for Timmins—Chapleau had listened carefully to what I have been saying in the House for the last three weeks, he would know that transferring passengers from VIA Rail to air transport does not require any more flights: there are already enough. So I do not see how this can upset the Toronto airport.

* * *

[*English*]

POINT OF ORDER

REPLY IN QUESTION PERIOD

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I just want to give a clarification of the answer I gave about Skylink in Vancouver. As far as I am concerned, the licence will not be given back before an appeal is made by the company to the Civil Aviation Tribunal. If its decision is contrary to the decision already made, we will reconsider at that time.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL

TABLING OF APPOINTMENTS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table in both official languages, a number of Order in Council appointments which were made by the government. Pursuant to the provisions of Standing Order 1(10)(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

Routine Proceedings

COMMITTEES OF THE HOUSE

BILL S-5—REPORT OF LEGISLATIVE COMMITTEE

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill S-5, an act to authorize the Safeguard Life Assurance Company to be continued as a corporation under the laws of the province of Quebec, without amendment.

[*Editor's note: See today's Votes and Proceedings.*]

* * *

[*Translation*]

POINT OF ORDER

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, yesterday in the House, I made a statement pursuant to Standing Order 31, reported on page 5351 of *Hansard*. I should have used the past instead of the future tense of the verb. I should have said:

— went on strike on Monday morning —

instead of

— will go on strike next Monday morning —

The verb was in the wrong tense.

* * *

[*English*]

EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

TRAVEL AUTHORIZATION

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the parties and I think you would find there is unanimous consent for the following motion to be put immediately without debate. I move:

That up to five members of the Standing Committee on External Affairs and International Trade representing each of the recognized parties in the House be authorized to travel to New York and Washington for the period Sunday, November 12, to Thursday, November 16, 1989, for the purpose of studying the international debt problem; and that the necessary staff do accompany the committee.

Mr. Speaker: Does the government House leader have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

[*Translation*]

The Chairman: The House has heard the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

PROPOSED GOODS AND SERVICES TAX

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have the honour to present a petition signed by many people from the province of Quebec. It is a petition against the GST, the goods and services tax in Canada. It says that the goods and services tax proposed by the Minister of Finance is an unfair form of taxation, that it does not take account of taxpayers' ability to pay tax in this country and, Mr. Speaker, it also says that the House of Commons should reject the proposed goods and services tax.

As I said, Mr. Speaker, it is a petition signed by many people in your province, Québec, and as you know, almost everyone is against the Finance Minister's proposal.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, today it is my duty to table ten petitions from the riding of Ottawa—Vanier which I represent in this House, in which your petitioners say that since September 1984, the government has inflicted at least 31 new taxes or tax increases on Canadian taxpayers; that since September 1984, the present federal manufacturers' sales tax has gone from 9 per cent to 13.5 per cent; that the Conservative Government wants to saddle Canadians with a new universal 9 per cent tax on goods and services; that this tax will be hidden in the sale price and will apply to practically anything that moves; that imposing this new, universal tax on goods and services will create serious hardship for low- and middle-income Canadians; and that the tax will put a severe financial burden on small businesses.

Therefore, Mr. Speaker, your petitioners strenuously object to this tax and humbly pray and call upon Parliament to reject the new goods and services tax.

[*English*]

RCMP DRESS CODE

Mr. Blaine A. Thacker (Lethbridge): Mr. Speaker, pursuant to the standing orders of this House, I am tabling petitions with over 4,000 names. The petitioners hold the legitimate and honest view that the RCMP uniform is a secular uniform accepted by our many cultures and religions and they wish it to remain that way.

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, today I have the honour and privilege to present to this House, pursuant to Standing Order 36, many petitions containing over 13,548 signatures of concerned citizens from British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

These petitioners humbly pray and call upon Parliament to preserve the distinctive heritage and tradition of the RCMP by retaining the uniformity of dress code with all the recognizable colour and trappings that have such great historical value to this country. The pride and *esprit de corps* should not be jeopardized by any concessions to religious or ethnic minorities which result in changes to this truly great police force and its proud traditions and uniforms.

These petitions have all been duly certified as to form and content. This now brings the total of petitioners to well over 103,000 that I have presented to this House.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Sergio Marchi (York West): Mr. Speaker, it is my privilege today to present two petitions signed by about 100 people in my riding, York West.

They argue against the GST because they are getting far too many taxes from this government. They think the GST will be very negative for Canada's middle-income families in my riding, for small businesses and for middle-income Canadians across the country.

I hope the government will take the advice of these people and reverse the government's decision on the GST.

M. Svend J. Robinson (Burnaby—Kingsway): Mr Speaker, I have the privilege of tabling a petition today which asks the government to reject the proposed goods and services tax and demands that the government

cancel its plan to implement a goods and services tax that will shift the entire tax burden to middle-income Canadians by imposing a regressive consumer tax, and that it undertake a genuine reform of Canada's tax system.

Mr. Speaker, this petition was signed by residents of several towns in the province of Québec.

[*English*]

CANADIAN WHEAT BOARD

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, it is my duty on behalf of a number of farmers in Meadow Lake and other Saskatchewan towns to present a petition which reacts to the removal of oats from the Wheat Board. The petitioners suggest that, in the future, the government take action to make sure that oats and barley cannot be removed from the Wheat Board, that they be kept in that organization so that the farmers and their organizations have to be consulted before changes are made in the marketing of these products.

• (1510)

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I have the honour and the pleasure to present a petition signed by more than 1,200 residents of the riding of Carleton—Gloucester. Your petitioners humbly state that since September 1984, the federal Conservative Government has inflicted at least 31 new taxes or tax increases on Canadian taxpayers; that since September 1984, the present federal manufacturers' sales tax has been raised from 9 per cent to 13.5 per cent by the federal government; that the federal conservative government wants to saddle Canadians with a new, universal 9 per cent tax on goods and services; that this new tax, which will be hidden in the sale price, will apply to practically everything Canadians buy; that this new, universal tax on goods and services will cause serious hardship for low- and middle-income Canadians; that the tax will create a severe financial burden for small businesses; that the Liberals, speaking on behalf of all Canadians, strenously object to this new goods and services tax which constitutes an unprecedented attack on the incomes of Canadians and, in addition to forcing them to pay higher taxes, will also expose them to increases in inflation, interest rates and unemployment.

Therefore, your petitioners humbly pray and call upon Parliament to reject this new tax.

[*English*]

UNEMPLOYMENT INSURANCE

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, pursuant to Standing Order 36 I have the honour to present a petition on behalf of a community service centre in the west end of Ottawa which works regularly with low income families and the unemployed. The petitioners are reminding the Prime Minister and the government of its statement during the last election campaign that there would be no cuts to unemployment insurance and they are challenging the government's withdrawal of $2.9 billion from the fund, thereby abandoning any responsibility for unemployment in this country caused by its fiscal and monetary policies. The petitioners pray that the government not change the Unemployment Insurance Act as proposed.

VIA RAIL

Mr. Joe Fontana (London East): Mr. Speaker, I am honoured to present two petitions to the House this afternoon. One deals with the government's cut-back and gutting of VIA service. Thousands of people have pleaded with this government to rescind its action and to restore VIA to its rightful place in our Canadian history.

PROPOSED GOODS AND SERVICES TAX

Mr. Joe Fontana (London East): Mr. Speaker, thousands of people have petitioned this government to scuttle its proposal for the goods and services tax as it will be harmful and detrimental, not only to individuals, but to the economy of this country.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have the honour and privilege to present a number of petitions to the House today. They have all been certified correct as to form and content by the Clerk of Petitions.

The first one is signed by 506 customers of Creative Croissants on South James Street in Thunder Bay, who point out that the Minister of Finance's proposed goods and services tax is an unfair form of taxation because of its lack of regard for a taxpayer's ability to pay. They call upon Parliament to reject the tax.

The second petition is from 388 customers of Grewins Variety Store in Northwood. They point out that the government has not addressed the unfair taxation system currently in place that permits wealthy individuals and corporations to pay little or no federal tax, while forcing

lower and middle income taxpayers to bear more of the national tax burden. They, too, call upon Parliament to reject the goods and services tax.

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I also have a petition signed by 1,726 Canadians from one end of this country to the other. The petitioners are very concerned about the government's decision regarding VIA Rail. They point out that it is an essential service for many Canadians, it has been part of Canada for more than 100 years, and that these cuts will result in a serious reduction in railway passenger service and threaten maintenance, safety and jobs. They call upon Parliament to maintain the existing VIA network, upgrade VIA equipment, and guarantee VIA sufficient support to carry out its mandate to provide passenger service.

PROPOSED GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure to present a number of petitions on a variety of issues, pursuant to Standing Order 36.

The first petition is from Kamloops, British Columbia. The petitioners are disillusioned, disappointed, and distressed over the government's decision to tax almost everything that moves now as a result of this goods and services tax. They ask the government to rethink this whole matter, go back to the drawing board, and come up with serious and fair tax reform.

VIA RAIL

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, another petition refers to the decision of the government to reduce passenger rail service. The petitioners point out at some length all of the reasons why the government should not curtail VIA Rail, but should invest in modernizing VIA Rail so that it is not only an economically sound method of transportation, but environmentally sound.

FOREST RESOURCES DEVELOPMENT AGREEMENT

Mr. Nelson A. Riis (Kamloops): Finally, Mr. Speaker, a large number of British Columbians, I could not begin to even mention the number or the communities from which they come, point out that British Columbia now has a new Minister of Forests, Mr. Claude Richmond, from Kamloops. He should sit down with the federal minister and begin renegotiating the federal-provincial Forest Resources Development Agreement because of the tremendous importance this agreement is to the province of British Columbia and actually right across Canada. The petitioners are asking that FRDA be renegotiated, that additional funds be included, and that the present minister of forests and the provincial minister of forests in British Columbia sit down and renegotiate it as soon as possible.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, in accordance with Standing Order 36, I present a petition signed by Canadian residents in the province of Québec, who humbly point out that the goods and services tax proposed by the Minister of Finance is an unfair form of taxation, since it does not allow for the taxpayer's ability to pay. Therefore, your petitioners humbly pray and call upon Parliament to demand that the government cancel its plans to implement a goods and services tax that will shift the entire tax burden to middle-income Canadians by imposing a regressive consumer tax. As in duty bound, your petitioners will ever pray.

[*English*]

LOW LEVEL FLIGHTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I also have a petition from a number of residents of Toronto who are concerned about the government's intention of building a NATO base for extended low level flights in Goose Bay, Labrador, to extend over Labrador and eastern Quebec. They demand that the government listen to the Assembly of First Nations, as well as the Innu of Labrador, and end all NATO-NORAD low level flight training in Canada, oppose the NATO establishment proposed, and redirect the funding for that to the well-being of the Canadian NATO people and their land claims and the promotion of sustainable development.

VIA RAIL

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I also have a petition from a number of residents of Toronto who are concerned with the government's decision to cut VIA Rail. They demand that this Parliament reject any proposed reductions or elimination of VIA Rail service, modernize the existing equipment so that VIA Rail could provide a world-class service to Canadians, and

build a high speed passenger train between Montreal and Windsor.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, in accordance with Standing Order 36, I have the honour of presenting petitions from my riding, Cape Breton Highlands—Canso, in which thousands of citizens express their profound opposition to the goods and services tax.

[*English*]

The petitions come from service stations, retail outlets and manufacturing outlets, both large and small, and they are unanimous in their condemnation of the proposed tax measure.

The signatures are from places like Antigonish, Inverness, Baddeck, Arichat and Canso, to name a few. They join millions of Canadians in calling for the government to withdraw this cruel and unfair tax.

Mr. John Manley (Ottawa South): Mr. Speaker, pursuant to Standing Order 36, I have another large number of petitions from people of Canada protesting the confiscatory, regressive, unfair, burdensome, and disgraceful goods and services tax.

• (1520)

VIA RAIL

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition from a number of citizens of Revelstoke, many of whom are meeting tonight to protest the closing of the very VIA line to which this petition refers.

These petitioners from the city of Revelstoke, which is a major rail centre, call on Parliament to maintain VIA Rail's present national network, to upgrade VIA Rail with new equipment, and to give VIA Rail sufficient budget to maintain its national mandate for passenger service. They feel this is particularly important since they have 200 kilometres to travel to reach an airport, and their bus services are interrupted by snow and avalanches more than any other community in Canada.

Petitions

PROPOSED GOODS AND SERVICES TAX

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, it is my pleasure to rise, pursuant to Standing Order 36, to present a petition to the House from a local retail outlet in my constituency of Okanagan—Shuswap located in the Vernon area.

The petitioners have signed this petition because they are most concerned about the Draconian measures that this government has taken with the introduction of its goods and services tax. The petitioners are asking the government to reject the current proposal for a goods and services tax, and to reform the tax system so there is an effective minimum tax on wealthy individuals and corporations.

They also ask to ensure that if and when there is a broad public consensus on a sales tax measure to replace the manufacturers' sales tax that this type of reform not simply be an opportunity for the government to impose a massive tax grab on the Canadian taxpayers.

I also have another petition of similar nature and concern presented to this House from another local retail outlet in the Vernon area in the constituency of Okanagan—Shuswap. These constituents also feel compelled to request the government to reject this Draconian tax measure.

[*Translation*]

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I have the honour to present a petition signed by a number of Québec residents who state that the GST in an unfair form of taxation; that the government allows corporations or wealthy people to pay little or no federal income tax; and that the government seeks to tax many basic goods and services. Canadian men and women humbly pray and call upon Parliament to reject the GST, and to reform the tax system with a view to making it more equitable.

[*English*]

REQUEST FOR AMENDMENTS TO HUMAN RIGHTS ACT

Mr. John Brewin (Victoria): Mr. Speaker, pursuant to Standing Order 36 I am pleased to introduce two petitions. I am pleased to see the Minister of Justice in the House while I am presenting this first petition because it deals with a matter that comes within his

jurisdiction, that is the proposed changes to the Canadian Human Rights Act in respect of sexual orientation.

In 1986, the government accepted the report and said it would take whatever measures that are necessary to ensure that sexual orientation is a prohibited ground of discrimination. The petitioners call upon the government to introduce legislation in respect of this matter as soon as possible.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. John F. Brewin (Victoria): Mr. Speaker, the other petition is in accordance with Standing Order 36 and relates to the GST. The petitioners call upon Parliament to reject the proposed goods and services tax and to reform the tax system.

Mr. Gilles Rocheleau (Hull—Aylmer): Pursuant to Standing Order 36, Mr. Speaker, I have the duty to present two petitions bearing duly certified signatures and concerning the Conservative government's proposition aimed at levying a goods and services tax beginning January 1, 1991.

The citizens of the riding of Hull—Aylmer want to say to the government that they totally disagree with the imposition of this new tax on goods and services, and they call upon Parliament to reject this tax.

Today, more than 10,000 residents of the riding of Hull—Aylmer have caused to be presented to this House a duly signed petition asking Parliament to reject this tax.

[*English*]

PROPOSED GOODS AND SERVICES TAX

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I have the honour today to present petitions from various communities in my riding of Northumberland, such as Port Hope, Colborne, Hardwood and Roseneath.

The petitioners are all consumers of goods and services and they ask and petition that this government withdraw any proposed legislation on a goods and services tax. They sign their own names, but many have spoken to me individually. Municipal leaders and members of community groups all feel that farmers, families, and independent businessmen in my riding are going to be very negatively affected by the proposed goods and services tax. They petition and beseech this government to withdraw any proposed tax.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I, too, have a number of petitions from constituents of the Prince Edward—Hastings riding who humbly pray and call upon Parliament to reject the proposed goods and services tax.

RIGHTS OF THE UNBORN

Miss Deborah Grey (Beaver River): Mr. Speaker, it is my honour and duty to present petitions pursuant to Standing Order 36, signed by over 2,500 Canadians, some of whom are from my riding, and others across the province of Alberta.

These petitioners believe in the sanctity of life from the moment of conception, and believe that there is a duty to protect that life and preserve its well-being. They are calling upon Parliament to formulate a law which will protect and save the life of both mother and child.

FOREST RESOURCES DEVELOPMENT AGREEMENT

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, it is my honour to present a petition today from residents of Prince George in northern B.C. who are concerned about the renewal by this government of the Forest Resource Development Agreement. In light of the appointment today of a new forestry minister in the province of B.C., they urge the minister of forestry in this House to move immediately to ensure that we get a new FRDA agreement signed as soon as possible.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I have the honour to present a petition on behalf of a number of Sainte-Thècle residents who humbly sheweth that the goods and services tax proposed by the Minister of Finance is an unfair form of taxation, for it does not take into account the tapayers' capacity to pay. Wherefore they humbly call upon Parliament to reject the proposed goods and services tax and to reform the tax system so as to levy a genuine minimum income tax on rich people, individuals and corporations.

[*English*]

I also have a petition on behalf of some 60 senior citizens who reside at 217 Pine Street North in Timmins

asking the government to reject the current proposal for a goods and services tax, and to ensure that there is no taxation on goods and services such as loans, the arts, and other non-luxury items.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Deputy Speaker: Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Deputy Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FEDERAL COURT ACT

MEASURE TO AMEND

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada) moved that Bill C-38, an act to amend the Federal Court Act, the Crown Liability Act, the Supreme Court Act and other acts in consequence thereof, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I want to say at the outset how pleased I am to have the opportunity to bring forward this bill which contains amendments principally to the Federal Court Act and also to the Crown Liability Act. The over-all purpose of this legislation is to give the ordinary citizens who wish to sue the federal government

easier access to the Canadian courts and to reduce or eliminate the legal barriers and the inequities that a citizen now faces in such litigation.

• (1530)

First, I want to deal with the Federal Court Act proposals. It has been almost 20 years since the Federal Court was established. It was established to replace the old Exchequer Court and, although much of the jurisdiction that was conferred on this new court reflected the jurisdiction of the predecessor, there was also quite a bit that was new in this legislation. For example, the Exchequer Court at that time, as it was constituted, was only a trial level court and appeals from the decisions of the Exchequer Court were made directly to the Supreme Court of Canada. The act in 1971 established a new Federal Court of Appeal to hear the appeals from the decisions of the court's trial division.

Second, the Federal Court was granted an entirely new jurisdiction to supervise or review the activities and decisions of federal boards and tribunals. Generally I think it is fair to say that the establishment of the Federal Court a generation ago can be characterized as a bold and far-sighted experiment in reforming the federal civil justice system on behalf of all Canadians. It has proven itself to be invaluable to the Canadian system of justice, and it serves a number of special purposes that provincial courts cannot adequately fulfil.

First, the Federal Court is a Canada-wide court which has national jurisdiction. As a result it is not impeded by any territorial limitations on jurisdiction and on process to which the provincial courts are necessarily subject. The nation-wide quality of the Federal Court has proven essential for example in cases of admiralty and intellectual property, patents, copyright, trademarks and industrial design.

Second, the Federal Court is a court with specialized knowledge in a few specific areas. These include the Income Tax Act and other federal revenue laws, intellectual property and admiralty law.

The importance of the Federal Court to the Canadian legal system is evidenced by the fact that although the court and the provincial courts both have jurisdiction with respect to matters such as intellectual property and admiralty matters, most matters of this type are brought in the federal court.

Third, the Federal Court helps to ensure that the federal tribunals operate effectively, efficiently, and fairly throughout Canada under federal legislation that applies uniformly across the entire country.

I think it is appropriate at this time to pay tribute to the present Leader of the Opposition who as the Minister of Justice of the day in 1970 introduced legislation that established the court. Since that time there has been an opportunity for assessing the results of that experiment. I think it is fair to say that the Federal Court has proven to be an over-all success. But our assessment—and I think it is fair to say the assessment of the bar and others—has revealed a number of areas where improvements could be usefully made to the Federal Court Act and the related legislation.

[*Translation*]

Mr. Speaker, the major objectives of the proposals contained in this Bill are to facilitate access by individual Canadians to the federal civil justice system, to make that justice system fairer, to improve its efficiency and effectiveness and to improve service to the public provided by that system.

The first objective is that the Federal Court in particular and the federal justice system in general should be accessible to the ordinary citizen.

For example, a person should be able to sue the Crown in a suitably convenient court for breach of contract to purchase goods or for negligent driving by a Crown employee that causes injuries to another motorist. At the moment, such actions can only be brought in the Federal Court. However, it is not as available as provincial courts.

The Federal Court only has offices in the larger centres and judges of the Court, based as most of them are in the National Capital Region, are not as readily or as frequently available throughout Canada as are judges of provincial courts.

Moreover, for both citizen and lawyer alike, provincial courts, including their procedures and personnel, are much more familiar.

Therefore, the Federal Court is often not the most convenient one for the private litigant. With this in mind, the government has proposed that both the provincial courts and the Federal Court share jurisdiction with respect to such actions, thereby generally giving the plaintiff a choice of forum.

[*English*]

Another example relates to the court supervisory jurisdiction. First of all that jurisdiction is now split in a confusing way between the trial division and the court of appeal.

Second, at the moment the Federal Court Act defines the court's general jurisdiction to supervise federal boards, commissions, and other tribunals solely by reference to the traditional common law remedies, many of which have Latin labels and are loaded with arcane technical baggage.

For example, among the remedies that are available in the trial division under the present provisions of section 18 are *certiorari, mandamus, quo warranto* and no one other than a person knowledgeable in administrative law or in Latin would probably have the remotest idea what sort of relief is offered by this language.

The bill deals with both these matters. The jurisdictional split between the two divisions of the courts will be removed, and everyday language is used to describe relief that the court can order, the grounds for obtaining that relief, and the procedure available to the individual for applying for that relief.

A second objective in the amendments is fairness. Fairness, with the powerful voice of the Canadian Charter of Rights and Freedoms in support, strongly suggests that distinctions between litigants should be kept to a minimum and any that exist require a rational justification.

To illustrate this point, I would point to the present legislation which confers a number of special privileges and immunities on the Crown that no longer have quite the same justification as they once did. Of particular interest are the special notice requirements when the Crown is sued, and the immunity of the Crown from paying prejudgment interest. The bill will remove or modify these specific privileges and, in doing so, continue the trend of placing the Crown on a footing of greater equality with the ordinary citizen.

A third objective is to improve the efficiency and the effectiveness of the federal civil justice system. As I already mentioned, there is a confusing split in the supervisory jurisdiction of the trial division and the court of appeal. The bill clarifies exactly what remedies are

available, on what grounds, and where a citizen goes to obtain them, thereby reducing confusion, needless delay, duplication and expense.

A second area of inefficiency relates to the constitutional limitation on the federal court's jurisdiction in the field of Crown proceedings. The Crown can be sued but cannot sue in tort and contract in that court. The result has been that when an action is launched against the Crown in the Federal Court, the Crown must bring separate proceedings against the plaintiff or some other person in a provincial court. That is known as a counterclaim in third party proceedings. Remedies to eliminate this inefficient and wasteful method of disposing of Crown litigation is also addressed in the bill.

• (1540)

The fourth objective is to improve more generally service to the public by the federal civil justice system. In support of the objective to improve access to the public, the government proposes in this bill to transfer to provincial courts full responsibility for compensation appeals under a number of agriculture statutes. In addition a number of provisions, which provide for an absolute bar to a suit against the Crown if certain notice requirements are not fulfilled, will be repealed.

Moreover, the review of decisions and activities of federal administrative bodies will be conferred on the trial division rather than the Court of Appeal. Since matters at the trial division are reviewed by a single judge as compared to the three judges when an appeal is heard, litigants will have more flexibility and improved access to the court.

This proposal will also enable members of the Appeal Court to devote more of their time to considering cases of broad public importance.

[*Translation*]

Proceeding to the bill itself, Mr. Speaker, and before giving detailed consideration to its provisions, I believe it may be useful to list, briefly and generally, the reforms the Bill contains.

First of all, whereas at present ordinary common law and civil law actions for relief against the federal Crown can only be brought in the Federal Court, as mentioned earlier, under the bill that jurisdiction will be shared with provincial courts.

Second, an entirely new regime for supervising the validity and legality of the activities of the federal government is being established.

Third, the provisions of the Federal Court Act that govern appeals from the Federal Court to the Supreme Court of Canada are being transferred to the Supreme Court Act.

In that way, appeals from provincial courts and the Federal Court to the Supreme Court of Canada will all be dealt with together in the same statute.

Fourth, drawing on the experiences of some of the provinces, a representative rules committee composed of Federal Court judges and representatives of the legal profession and the Attorney General is being established to make the rules of the court.

This Committee will include judges of the Federal Court, representatives of the legal profession and the Attorney General, who will work together to improve court proceedings.

[*English*]

Fifth, modifications to some of the procedural advantages now enjoyed by the Crown are being made. These include the repeal of some of the special notice requirements in the Crown Liability Act and the imposition of responsibility on the Crown to pay prejudgment interest.

Sixth, consequent upon the increased role of provincial courts in the area of Crown proceedings, it is necessary that there be legislation dealing generally with practice and procedure when the Crown is a party to litigation. At present such matters are duplicated by the Federal Court Act and the Crown Liability Act simply because the latter is restricted in scope to actions against the Crown in tort, that is, civil wrongs of a non-contractual nature. All such provisions are being consolidated and are retitled Crown Liability and Proceedings Act. The Federal Court Act itself will no longer provide specifically, as it does now, for such matters.

Seventh, a few minor changes to the admiralty provisions of the Federal Court Act are being made. The definition of "ship" is being updated to bring it in conformity with recent changes to the meaning of that word in the Canada Shipping Act.

As well, authority is being conferred on the Federal Court to improve the scope of remedies available to the owner of the ship which has suffered damage.

That, in a nutshell, is what the bill proposes to do. In summary, this proposed legislation is going to improve access by Canadians to the courts. It is going introduce greater fairness into the federal civil justice system and will enhance the efficiency and the effectiveness of that system.

We think that this measure is a step forward and will provide Canadians with a more rational, comprehensible and open process for litigating matters with the federal government.

[*Translation*]

Consequently, I urge Members of this House to give this Bill their full support.

[*English*]

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I am delighted to have an opportunity today to speak to this badly needed and long awaited reform to the Federal Court Act, the Crown Liability Act, the Supreme Court Act and several other federal statutes, generally all pertaining to the federal court procedures and technical requirements which our members of the public must follow or endure as they involves themselves in litigation or contest with the federal government or federal interests.

One of the outstanding issues surrounding this particular set of reforms is the length of time that it has taken to reach this stage. I practised law for approximately 15 years prior to being elected to this House.

I want to set out at this time my view that the delay of many years, about 10 years, in putting these reforms in place has cost all of us as taxpayer who pay for the government and individual litigants millions of dollars in terms of costs, being the costs of the inefficiency and duplication that were found in the federal court system and procedures.

For example, an individual litigant who found himself or herself on the losing end of an administrative decision would be forced to take a decision as to whether or not an appeal was appropriate. Even if that person had the finest of cases and could see the error in judgment of the tribunal of first instance, that person was usually faced with a trip to the downtown of one of our major cities and a potential retainer of $2,000 to $5,000. That is a huge hurdle in attempting to achieve the justice that our litigation system and our federal tribunals initially set out to achieve.

The reforms that have been proposed now are just not for lawyers, but they are for the public as well. They remove ambiguity, they broaden jurisdiction appropriately, they remove some technical limitations, and they streamline procedures. I know those are probably the words of the hon. minister and the government, but as a practising solicitor prior to arriving here I concur that these technical changes are long overdue and they will produce real savings and efficiencies in the cost of litigation.

Up to now it has been common to commence litigation by issuing a filing process in both the Federal Court and the superior court of the province. Not only was it a wasteful duplication, but it also required the lawyer and the support staff to devote resources to the avoidance of technical or other obstacles in both courts. There is a veritable mine field of obstacles out there from the legal point of view. That this relatively non-controversial set of reforms remained unrectified for so long is I think a bit of an embarrassment to this Parliament.

The purpose of our court system is to provide a means of dispute resolution for our society, generally between persons and organizations, persons and government, and to provide a system of disclosure and balance of interest within a democratically constituted legal framework.

But other barriers remain in our justice system now, and the average person out there is very aware of it. The initiative for reform was on the table at least five or six years ago. The list of housekeeping chores that had to be accomplished, which was brought forward by the legal profession, by people in government and by judges, was on the table. We were all well aware of them. There are still inefficiencies and other outstanding business in the field of justice that we must look at.

• (1550)

One of the areas that we should be aware of is the cut-backs recently to the federal government program to support litigation on public issues. These cut-backs affect litigation that pertains to what I would call the leading edge of development of legal principles in our society. That leading edge is very important in securing a balance of interest between the people of the country and the government. To the extent that these cut-backs

retard the development of this leading edge of litigation, all of our society will pay the price for the delay.

Another matter we should recall is one that I have raised in this House previously. It is my sense that the government for many reasons has acquiesced in a non-disclosure on the part of institutions or publicly elected officials in areas where the public has I think rightfully asked questions about the appropriateness of conduct, the appropriateness of spending of tax dollars. I think of plea bargaining which in some courts will prevent the public from knowing the factual basis for charges. That is in the criminal court. In the civil court there is bargaining in settlement of litigation which will prevent disclosure of the real issues lying behind the litigation.

We heard today a suggestion that because a public official sits in the other place there is some general immunity from the laws of this land, that perhaps those laws do not apply through our government quite the same way as they apply to members in this House. From the point of view of the citizen and the taxpayer I have to ask the question: Where is the balancing of interest? Where are the mechanisms to achieve that balance of interest?

Procedural obstacles and conflicts between our immigration laws and our extradition laws are again another problem. I know the Minister of Justice recently carried out his administrative or quasi-judicial function in dealing with the matter under the Extradition Act involving an individual by the name of Charles Ng. Almost every day there is an article in the paper about some alleged killer from another country who is here illegally. He is staying in custody at our expense. He does not want to go back to his or her country to face the music. I ask: Where is the justice there? I think I read yesterday that we had one of these individuals actually attending school, taking a course, I guess at our expense.

The conflict here is that our Extradition Act and our Immigration Act have been developed separately in terms of procedures. As a result, the citizen of this country, the taxpayer, is unable to pursue directly the course of justice that should be there. It is perhaps unfortunate that the burden of that lies upon a minister of the government as opposed to a tribunal or a procedure already existing in government. That is an area that also requires attention from the justice point of view.

Another matter involves the decision of the Supreme Court in *The Queen versus Morgentaler*. In that action an entire provision of the Criminal Code has been removed. If there was justice for the unborn, for the life that lives in the womb in the days or weeks prior to birth, where is it now with that provision removed?

It has been approximately two years since it became clear to most of us in the country that the Young Offenders Act was failing to adequately serve some interests of society. I think it is inappropriate for this government to permit us to continue with a statute that treats a killer like a child. I think most of us would agree with that without too much argument. I know this Parliament will have an opportunity to look at reforms, but those reforms are long in coming and we must address them quickly.

My hope from this side of the House is that the government will acknowledge that matters of justice are just as important as other matters of government. They are just as important to the citizens of this country as old age security, environment, trade, taxation and other matters we deal with in our federal government. I hope that with the government's magnificent success in achieving these existing reforms in this Bill C-38, achieved after 10 years of thinking and paper pushing, this success will spur this government to improve its record in the field of justice.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I am pleased to rise to participate in this debate on the proposed amendments to the provisions of the various acts, both the Federal Court Act and the Crown Liability Act dealing with the Federal Court.

I listened with care to the comments of both the minister and my colleague from Scarborough—Rouge River. I am not going to canvass the waterfront of justice issues in the very limited time I will be taking to respond on behalf of the New Democratic Party on this important legislation. I did note, however, that the hon. member made some reference to the provisions of the Criminal

Code on abortion and suggested we should recriminalize this area of the law.

I must ask: Who is it that speaks on behalf of the Liberal party on this very important and difficult issue of abortion? Is it the hon. member for Scarborough—Rouge River? Is it the leadership candidate from Scarborough West? Is it the leader of the Liberal party? Is it the member for Halifax, the spokesperson on the status of women who says we do not need a new criminal law? Who is it today that speaks for the Liberal party on this very important and sensitive question?

We have heard the call from the member for Scarborough—Rouge River for new criminal law in this area. I say on behalf of the New Democrats that we believe that there is no need whatsoever for recriminalization of this area of the law. Indeed, changes to the Canada Health Act are necessary to ensure equitable access. It is an insult to the women of this country and to doctors in this country to suggest that we have to go back to those dark days of criminal sanctions in this area.

Mr. Deputy Speaker: On a point of order, the hon. member for Leeds—Grenville.

Mr. Jordan: Mr. Speaker, if this is supposed to be a debate on abortion I think we should have had some notification that we are having a debate on abortion this afternoon. I am critically interested in the topic. I think we should get back to the bill at hand.

Mr. Deputy Speaker: On debate, the member for Burnaby—Kingsway.

Mr. Robinson: Mr. Speaker, I was merely picking up the theme that was introduced by the hon. member's own colleague during the debate. I would welcome the views of yet another Liberal member on this question. I am sure we will have yet another variety.

• (1600)

The hon. member also spoke on the question of the Young Offenders Act. We all recognize the deep concerns that exist about the quality of the delivery of justice in the area of young offenders. I would, however, remind the hon. member who was so critical of the Young Offenders Act that that piece of legislation was introduced by his own colleague, the member for York Centre. He may want to have a word with his colleague about the provisions of that legislation.

Turning to the provisions of the Federal Court Act and the Crown Liability Act, I note that Bill C–38 is legislation which represents the first major change to the Federal Court Act and the Crown Liability Act since the Federal Court Act was introduced in 1971. For those Canadians who are not familiar with the Federal Court, perhaps it is appropriate to comment briefly on the jurisdiction of that body.

The Federal Court, which includes both the Trial Division and the Federal Court of Appeal, was established by Parliament in 1971 to deal with, among other things, lawsuits against the federal government, cases based wholly on federal law, patents and copyright for example, maritime law, interpretation of the Access to Information Act, the Privacy Act, and challenges to decisions by federal tribunals, the Tariff Board and the Pensions Appeal Board, for instance.

In the area of access to information and privacy, I might just note that the current conservative government has displayed utter contempt for the parliamentary process in rejecting the unanimous recommendation of the Standing Committee on Justice and the Solicitor General to strengthen the provisions of the Access to Information Act and the Privacy Act. Promises were made by the late Walter Baker to strengthen this legislation which, after all, is at the heart of our democratic system, the right of citizens to have free and open access to the information which forms the basis for government decision–making. This government has failed miserably in making information available to Canadian citizens.

There have been a number of concerns arising about the jurisdiction of the Federal Court. It is an incredibly complicated area of law. A lawsuit, for example, which involves claims against both the federal government and private individuals, corporations or other governments can be very, very complicated. In some cases, such a lawsuit cannot be disposed of in one court alone. It actually has to be taken in a number of different courts.

One example of this was the litigation that arose from the 1978 crash at the Cranbrook airport. In that instance, the plaintiff airline brought action against the federal Ministry of Transport, various Crown servants, the city of Cranbrook, various city employees and the manufacturers of the airplane and the plane's thrust reversers. The

Trial Division of the Federal Court decided that while the Ministry of Transport had to be sued in Federal Court, ministry employees, like other defendants, had to be sued separately in the B.C. Supreme Court since their liability was governed by common law.

There are many other examples of a similar nature of the confusion in jurisdiction between the Federal Court and provincial superior courts.

As well, the second major area of difficulty was with respect to the division of responsibility between the Trial Division of the Federal Court and the Federal Court of Appeal in challenges to the decisions of tribunals. That has been an area that has caused difficulty and confusion for some time. Indeed, lawyers would frequently file documents in both the Federal Court Trial Division and the Federal Court of Appeal just so they would not make a mistake or miss out on a limitation period. Obviously that kind of situation is one that is not only unfair to the legal profession but ultimately is unfair to Canadian litigants generally who have a right to clarity in the law. I want to say, on behalf of the New Democrats, that we certainly welcome the general thrust of the amendments that have been brought forward by the minister in this area.

I want to raise an issue of concern with respect to process. The minister received on October 6 last, a little less than a month ago, a letter from the Attorney General of the Province of British Columbia, Bud Smith. In that letter, the Attorney General of British Columbia indicates that following consultations with provincial and territorial Attorneys General they were unanimous in their view that the issue of the continuation of the Federal Court of Canada as presently constituted was a matter which they all felt merits further consideration and study.

We all know the position of the Attorney General of British Columbia. It has been his position for some time. I have a paper here that was prepared by Bud Smith in which he states that the long-standing position of British Columbia with respect to the Federal Court of Canada has been that the establishment of the Federal Court of Canada is wholly unnecessary and is not only a wasteful expenditure of public funds but has resulted and will yet result in practical disadvantages and inconveniences to the citizens of Canada.

That is the position of the Attorney General of British Columbia. I do not think it is fair to suggest that that is a position shared by the colleagues of the Attorney General of British Columbia from other provinces or the territories. I certainly would not suggest for a minute that that is the case. What is clear is that all Attorneys General at the recent meeting in June of this year in Charlottetown, Prince Edward Island, directed their deputies to study this possibility. That study is under way. At the same time, as I understand it, the Federal Law Reform Commission is looking at the whole question of the role of the Federal Court and the jurisdiction of it.

The Canadian Bar Association decided just a month ago to reactivate its committee of the 1970s on the matter of the Federal Court and to prepare a report by December of this year in order that the council of the Canadian Bar Association might take a position at its mid-winter meeting in February, 1990.

Speaking on behalf of the Attorneys General, Bud Smith urged the Minister of Justice to postpone the introduction of this bill, or at the very least, to postpone debate at second reading, until the Canadian Bar Association report had been considered by the council of the CBA and until the Law Reform Commission had made its views known on this important question as well. I regret that the Minister of Justice has refused to heed this call not only from the attorney general of British Columbia but from attorneys general of at least eight other provinces and territories as well.

This is an issue which obviously has to be moved on, but it has now been many years since the original proposals were made. I think it has been over 10 years since the Canadian Bar Association's study in this area. I would have thought the minister might have waited just a few more months before proceeding in the rather high-handed way that he has proceeded.

The government has claimed to be concerned about consultation with the provinces. Here is an illustration where provincial governments, through the attorneys general, have asked for consultation and have asked for delay. The federal Minister of Justice says, "No, I am going to proceed without agreement".

So I wanted, both as a member of Parliament from British Columbia and as the spokesperson on justice for the New Democratic Party, to raise that concern about process and to urge the minister to consider the possibility of delaying any further proceedings on this legislation until such time as both the Canadian Bar Association and the Law Reform Commission have been given an opportunity to make their views known.

At the very least I am pleased to have received an earlier assurance from the minister that in committee proceedings there will be full opportunity for representatives of the Attorneys General, the Canadian Bar Association, the Law Reform Commission and others to voice their concerns at an appropriate time. I would hope that perhaps there might be some delay in this area.

Naturally, a number of the proposed changes flow from recommendations of the Canadian Bar Association from 1977 and from the report of the Law Reform Commission issued three years later.

• (1610)

I referred earlier to the two main areas of confusion about the Federal Court, the distribution of jurisdiction between the Federal Court and the existing provincial superior courts and the division of responsibility between the Trial Division and the Federal Court of Appeal. I am not going to summarize the jurisdiction of the Federal Court at this time. That has been done by the minister in his comments. To the extent that Bill C–38 attempts to resolve some of the confusion, uncertainty and difficulty that has arisen with respect to jurisdiction, those are changes that we in general terms support.

We welcome as well the changes in the bill that would abrogate certain long–standing advantages enjoyed by the Crown such as not having to pay interest on damages for the period before judgment. That was always unfair. I am pleased the minister has brought forward changes that will ensure the Crown does, in fact, pay interest on damages before judgment as well as post–judgment.

I am not going to go through some of the key areas that are covered by the bill because, once again, that has been touched on. There is a requirement now that parties before the Federal Court give notice to the Attorney General of Canada and the Attorney General of each province when a constitutional question is to be argued. In general terms, once again, that is not something with which we would have any difficulty.

There is a provision in the bill that removes a requirement that litigants give the Deputy Attorney General of Canada advance notice of a legal claim against the Crown. There is a new remedy that will allow the courts to issue an order declaratory of the rights of parties in certain proceedings. While injunctions and specific performance are not to be granted against the Crown, at least there is the opportunity for declaratory relief, and that is a step forward.

The amendments, as I say, in general terms are amendments which we welcome. The removal of the dilemma in having to choose between the Trial Division and the Court of Appeal is welcome. I know that the hon. member for Halifax, a distinguished legal counsel with extensive experience in the Federal Court, will be sharing that with us at an appropriate time. I am sure she would agree that her experience in the Federal Court would lead her as well to support these amendments which have given rise to such confusion and such uncertainty.

I want to raise a couple of other areas of concern, while I am on my feet, with respect to access to justice. That is part of what this whole process is about. We know, of course, that in the area of judicial appointments unfortunately the history of the Federal Court is not a happy one. In fact, in the report of the Canadian Bar Association on the appointment of judges in Canada, it was noted that political favouritism has been a dominant, though not sole, consideration in appointments to the Federal Court of Canada.

Too frequently the Federal Court has been a repository for friends of the government. I am speaking of both the Liberal government, which engaged in that orgy of excessive patronage in June of 1984 including appointments to the Federal Court, as well as the current government. Let us hope that this history of patronage appointments to the Federal Court will soon be a thing of the past.

We are watching with interest the new appointments process.

[*Translation*]

And I must say that I am very happy to see the role played by several conservative members from Quebec that have long been looking for ways to improve the

system whereby judges are appointed. Mr. Speaker, the new system should hopefully curtail patronage appointees, both conservative and liberal. Time will tell! There are always problems in this regard, but we want to see the best men and women appointed to courts of all levels in Canada.

[*English*]

I mention as well the importance of appointing women. While certainly it is true that this government and this minister has appointed a number of women to the bench, there is still significant work to be done in that area. Given the history of the previous conservative governments, I would note that prior to 1984, no conservative government had ever appointed a single woman to the federal judiciary. That is slowly changing and I certainly welcome the recent improvement in the number of women who have been appointed, but further work remains to be done in that area.

Certainly recent commissions of inquiry in the area of access to the law by native people have demonstrated glaring problems in this area, including the Marshall inquiry in Nova Scotia, the inquiry into the delivery of justice to native people in Manitoba and the inquiries in Alberta, British Columbia and elsewhere. Our treatment of native people in the law has been shameful and I would appeal to the minister to examine far more seriously than he has done the proposal for a justice system which would be a parallel justice system for native people. It has been a recommendation of the Canadian Bar Association and it is one that the minister should not reject out of hand as he has done.

We want as well to ensure that our bench more accurately reflects the multicultural nature of this country. Again, there has been small progress but not nearly enough. there is deep concern about the level of the government's commitment in this area. This is a government which is still not prepared to allow our national police force, the RCMP, to reflect that multicultural heritage, a government which has a minister who refuses to accept the recommendation of the commissioner of the RCMP to make this very reasonable change in the uniform, a government which is still listening to the Neanderthal voices of certain members of the Alberta caucus on this question, stirring up an atmosphere that unfortunately has led to badges with symbols of banning turbans. That has got to change and an important part of reflecting the multicultural reality of our country is to ensure that it is reflected on the bench as well.

Speaking as well of such a fundamental question as access to the courts, I must underline my concern and the concern of my colleagues at both the provincial and federal levels about the serious under–funding of legal aid programs, a terribly difficult problem. Those who want access to the courts, not just federal courts but to courts at all levels, are too frequently denied that access particularly in the area of civil litigation, because they cannot afford to go to the courts. I would appeal to the government and to the Minister of Justice to show leadership in this area and to ensure that legal aid programs receive significant increases in funding.

Another area in which the federal government must show leadership with respect to access to the courts is in renewal of the funding of the Federal Court challenges program. The minister spoke of the charter and some of the new challenges facing the judiciary under the Charter of Rights and Freedoms. Litigants who cannot afford to bring their cases before the courts are obviously denied that element of justice. As Frank Scott said, the trappings of democracy hang loosely on an emaciated body politic. It is so true, and if the court challenges fund is not renewed, then those individuals who want to have access to the courts to pursue charter challenges will be denied that access.

I want to emphasize again that certainly in principle we support this legislation, and the changes that have been proposed in many instances are long overdue. The bill will introduce an element of equity and fairness into a system which is too often confusing and unfair. It is legislation that will require careful study in the legislative committee which has been appointed to consider it.

I would hope as well that there might be an opportunity for us to call some of the witnesses I mention, the representatives of the attorneys general, the law Reform Commission, the Canadian Bar Association and others. There is still much work to be done in this area; the gain in terms of general concerns in the judiciary area, the whole concept of citizenship court judges. We know that the Canadian Judicial Council in its recently issued first report has recommended changes in this area. No longer will these people be considered as judges but rather they ought to be considered for what they are a type of commissioner. Obviously this is another area which has

been rife with patronage but it is one in which we hope there will be changes.

• (1620)

The law of contempt of court is an issue that must be addressed as well. Again, we have to ask ourselves whether we should not consider the recommendations of a number of distinguished Canadians, including a former justice of the Supreme Court of Canada, Justice Willard Estey, who suggested that there should be a role for Parliament in the appointment process of federally appointed judges. As he points out:

> —the closed circuit system we use in Canada doesn't allow much input by the democratic basement of our community, the electorate. It's all based upon the theory that you elect good people who in turn appoint good people. That's a debatable formula.

Fortunately, we have in general terms been well served by our judiciary in this country but much work remains to be done, work with respect to access to the courts and to the justice system for Canada's first nations, for native people, ensuring that women are appointed to the judiciary and ensuring that judges are sensitized to the concerns of sexual equality in this country. Too frequently we see examples of an absence of awareness of the importance of equality in sexual assault trials. For example, comments are made which are not only offensive and sexist but completely unacceptable in this country.

In closing, I once again want to emphasize that we do support in principle Bill C-38 which is before the House. We will be urging in committee a number of improvements to the bill and particularly urging that those witnesses from the Law Reform Commission, the Canadian Bar Association and the Attorneys General be given an opportunity to appear before the committee. Let us hope that these changes will ensure more justice in the judicial system in this country.

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise today with some concerns regarding this bill, but in general, I can say it certainly is an idea whose time has come. In actual fact, its time had come a number of years ago.

I also want to commend my honourable colleague from Burnaby—Kingsway for his very kind mention of me and my experience in the Federal Court, but I must give over to him because I do understand that his experience in the Federal Court is far more extensive than my own and I understand that it may possibly be even more extensive than that of the Hon. Minister of Justice across the way.

However, I do want to make a few points in particular with regard to the topic that we are addressing today, namely, amendments to the Federal Court Act. It may not be the most riveting and the most exciting legislation for members of this House. It may not make it to the national news, the local news or indeed any news. But it is terribly important in the over-all legal scenario that we as legislators and as lawyers attempt to create in this country.

There are many problems with the legal system in this country, but I believe the major problem is the mystification of the process. Those of us who are legally trained, who practise law and have now turned to a second avocation of the lawyer, that of a legislator, realize from our past experience the fear and trepidation with which many Canadians go to law. It is a system that seems burdened with its own language, its own shibboleths and its own difficult and tortuous paths which are completely unintelligible to the vast majority of everyday people. Consequently, anything that helps to demystify the process is to be appreciated and perhaps from time to time even applauded.

For lawyers, the proposed amendments will surely be welcome. Changes in the Federal Court Act pertaining to judicial review will eliminate the dilemma in choosing between the Trial Division or the Court of Appeal. Experienced lawyers are, at the present time, filing two requests, one before each court, in order to get around the limitation period and to be sure that at least one request will be fully heard and not rejected on a preliminary motion.

In cases against the Crown, these changes will make it much easier for lawyers to take the proceedings before the superior court in their own provinces where they generally have more expertise. Ultimately this will benefit people who sue the Crown.

The problem again is the one of burgeoning legal class in this country, the inability of our government or indeed our system to provide a judicare system anywhere close to our medicare system for reasons that are obvious to

anyone who has ever had to go through the trauma and the costly experience of going to court.

There are several questions with regard to these amendments that I would like to bring forward today. Bill C–38 and its amendments to the Federal Court Act follows recommendations long put forward by both the Canadian Bar Association and the Law Reform Commission. As a matter of fact, some of these recommendations go back as far as 1977. I have here *The Federal Court Act, a Study of the Court's Administrative Law Jurisdictions*, which is of interest to me and to others for a variety of reasons. One reason is that it was written by a well–known legal scholar in this country, David Mullen, a former professor of mine. Even more so, and I would draw this to the attention of all members of the House, footnote No. 187 in this brilliant work of legal scholarship mentions my hon. colleague, the member for Ottawa South, who unfortunately is not here today. The erudition and the ability as a legal scholar cited by my hon. colleague is one that would be of benefit to all members to take under advisement.

With regard to the bill itelf and the amendments, in 1983 the Law Reform Commission issued a report which ostensibly recommended the amendments that are being brought forward today. I know that all of us are experienced with, in the Shakespearean phrase, the law's delays, but six years is a little excessive. I think that the people of Canada might want to know what took so long in getting these amendments, laudable as they are, finally to the floor of the House.

Mr. Lewis: Trying to get up the excitement level?

Ms. Clancy: Chill out, Mr. Minister, it gets more exciting as we go on. I have more questions for you, none of which you are prepared to answer but I will certainly give it a try. Unfortunately, I may not be at the committee, Mr. Minister, and I have you here as a semi–captive audience and I will attempt at least to plant the seeds of these questions in his mind where I am sure they will find fallow ground.

Mr. Arseneault: There's no problem, he's open–minded.

Ms. Clancy: Do you think? Those people from New Brunswick are so idealistic.

Ms. Catterall: Seeds don't sprout in the dark.

Ms. Clancy: Now, now, heckle him, don't heckle me. You're on my side.

Some Hon. Members: Oh, oh!

Ms. Clancy: At any rate, in 1983, the report of the Department of Justice allegedly has been put to a study and has been reconsidered. If this is so, I wonder why the Minister of Justice has not at some point revealed the results of such a departmental study or the examination thereto to the public at large. I should not suppose, given the subject matter that it probably is anything of great embarrassment to the government, but it might perhaps increase the demystification of what is ostensibly a fairly mystifying process to people in general.

Some of the changes in Bill C–38 grant to the Federal Court jurisdiction concurrent with that of provincial superior courts. I am wondering if there was consultation with provincial counterparts of the Minister of Justice in order to obtain their opinions on these changes as some of the provincial courts are already overburdened. I perhaps could be suggesting that the Minister of Justice get on with it and appoint more judges in certain provinces. Certainly some of the appointments he has made I have already congratulated him on privately and I will now do so here publicly. Some changes, note that, some. Can the Minister of Justice explain when the significant part of the Federal Court's jurisdiction is concurrent with that of these provincial superior courts why he did not take advantage in the reforms in Bill C–38 to reduce the concurrent powers of the Federal Court? Would not this reduction of the Federal Court's jurisdiction have allowed the federal government to reduce expenditures required for the administration of the court and do what it wants to do so badly in every other area of Canadian life, reduce the deficit?

• (1630)

Perhaps if it had reduced some of this concurrent jurisdiction and the expenditures thereto we would not be sitting here mourning—certainly the way they are mourning in my region of Atlantic Canada—by the cutting off and the strangling of the unemployment insurance program. I merely say that as a suggestion to the hon. minister because I know that underneath that cruel exterior there is a soft heart.

An Hon. Member: I would sure like to see it.

Ms. Clancy: Aha! Now we have heckling from the minister's side. There is a light at the end of this tunnel.

The provincial superior courts as well have long experience in matters involving suits against a provincial Crown. I wonder again why the provincial superior courts could not have been given exclusive jurisdiction as well over actions against the federal Crown.

The Law Reform Commission and the Canadian Bar Association have been lobbying for a time, and indeed I have mentioned this to the minister, to have some of the peripheral criminal matters that are currently in the Federal Court's jurisdiction with regard to certain federal statutes transferred. From my own experience as a provincial and municipal prosecutor in the past, I recall that there are criminal sanctions, not just attached to the Income Tax Act but to various acts such as the Small Birds Act, the Customs and Excise Act and a number of other federal statutes.

These are recommendations of both the Canadian Bar Association and the Law Reform Commission to ensure that the Federal Court is not, with the greatest of respect to that court, getting involved in criminal matters which in the opinion of both of these august bodies are better off in the other court system.

Prior to considering any amendments to the judicial review of administrative tribunals, can the Minister of Justice tell us if he has reviewed the provisions of the provincial statutes in this regard? Can he also explain why he did not refer more to the pertinent provisions in provincial statutes which are simpler and more comprehensive?

Again, it is a question of demystification of the legal process. The people of Canada are basically suspicious of and live in a certain amount of fear and trepidation with regard to the legal process. I do believe that it is our duty as legislators to in every way make this process more comprehensible to the people of this country. I am sure that the minister does agree with me and that these oversights will be corrected at the earliest possible date. But then again, I always was an optimist.

With regard to the amendments in general, I can say that they are long awaited, and while we do not feel that they go far enough, they do make in the long run an honest effort to begin a process long needed, not just in the Federal Court Act and the other statutes pertaining thereto but in the legal system generally.

In closing, I would like to refer to a quote from political scientist Peter Russell. In his recent book, *The Judiciary in Canada* he said:

> Rather than simply adding judges to the (Courts) to cope with this expansion in administrative law cases, the government should pursue the proposals set out in the 1983 MacGuigan paper and reduce the court's role in fields where it has no special expertise and which overlap with the jurisdiction of the provincial superior courts. In this way, the benefits of developing a court with a special competence in some complex area of federal law (like the judicial review of federal authorities) can be realized while curtailing the drift toward a dual court system.

I think that these sentiments add to those sentiments expressed here today of the need to make the legal system in this country more relevant to the people and more comprehensible to the people. In this particular area the government has made one small step. Perhaps, in the words of Neil Armstrong, it should look toward making one giant step.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to a legislative committee.

* * *

[*Translation*]

DEPARTMENT OF FORESTRY ACT

MEASURE TO ENACT

The House resumed, from Friday, October 27, consideration of the motion of Mr. Mulroney that Bill C-29, an Act to establish the Department of Forestry, to amend the Forestry Development and Research Act and to make related amendments to other Acts, be read the third time and passed.

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, although we have the assurance that this Bill will be passed unanimously on third reading, I would still

like to submit a few comments to the House, to highlight the amendments passed in the legislative committee.

[*English*]

Mr. Speaker, I am pleased to have the opportunity to speak on third reading of Bill C-29, an act to establish the department of forestry. I feel that this particular bill has been rushed through its stages, but by no means should it be interpreted as a non-controversial or unimportant piece of legislation.

The creation of a forestry department is a step in the right direction. After hearing time and time again the same complaints from witnesses before the legislative committee, the press and the opposition, I do believe that the government is starting to get the message.

I must reiterate, as I have done in previous speeches time and again, that the forestry industry provides one in ten jobs in Canada directly or indirectly. In fact, close to 800,000 people work in the industry and 350 communities depend on it.

I am very pleased to say that there was a certain amount of flexibility that took place in the legislative committee. There were a total of five amendments passed. This shows that the government realized that the bill could be improved and it has put forth certain efforts to try to correct certain aspects of this bill.

To the preamble my colleague from Restigouche—Chaleur introduced an amendment which was accepted unanimously. The definition of sustainable development proposed by my colleague echoes the one devised by Dr. Gro Harlem Brundtland, the former Norwegian Prime Minister and Chairman of the United Nations World Commission on Environment and Development. "The defining of sustainable development in law, as a development which meets the needs of the present without compromising the ability of future generations to meet their own needs, is a very significant step", the hon. member for Restigouche—Chaleur said. Many environmental groups have criticized the federal government for using a term which lacks a standard definition and which may be easily misconstrued.

"This definition ensures that the forestry department will play a key role in the preservation of Canada's valuable woodlands. Moreover, it clearly establishes a term that the government has been recklessly brandishing about", the hon. member further stated.

[*Translation*]

On a more personal note, I also wish the minister would do what he suggested last July, when he said:

> We should send an offer to the Americans, to sound them out before sending them a termination notice.

To my amazement, nothing has been done so far. That is really too bad!

[*English*]

On October 27, in the House, the minister's answer to my question was very disappointing. At one point he stated that the 15 per cent surtax on softwood lumber was a minor factor. I found that incredible. He categorically stated in July that the 15 per cent surtax has had an effect on the Canadian softwood lumber industry. If it is so minor, why is he planning to send a termination notice? On the other hand, I was pleased to hear him say that he is constructing the evidence that would provide him with the necessary authority and jurisdiction to renegotiate the MOU. I might add, if he needs any help in expediting the evidence, I have numerous files on the subject.

• (1640)

[*Translation*]

I would like to explain to Hon. Members the amendment I proposed to this Bill, concerning clause 6(*c*) which stresses the development and application of forest management codes and standards, which were not adequate.

[*English*]

It was obviously not enough just to promote, we needed muscle in there. We needed government presence in there to monitor and ensure that the codes and standards were being followed. I hope that the government will go forth and carefully monitor, without impeding on the provincial governments' jurisidiction. It should be stressed that this monitoring be done in harmony with the provinces as well as the industry.

In the forestry sector the government seems to be very concerned about endangering its relations with the provinces. It is afraid to jade the provinces. I would like someone to indicate to me what is wrong with showing some direction. What is wrong with working with the provinces? By "working", I mean negotiate the strict

enforcement of quality reforestation, integrated forest management and do more research. Those provinces which do not comply will simply not have their forest resource development agreements renewed. In the same process, let them answer to their constituents. I am certain that both governments have the same common goal.

[*Translation*]

Mr. Speaker, I would like to make a few comments on the working paper prepared on September 8 this year by Dr. J.S. Maini, Assistant Deputy Minister (Policy), which deals with my amendment to clause 6 (*c*).

On page 7 of the working paper he mentions the following, under the heading: "The Challenge".

First, to make proper use of available knowledge to provide for integrated management of resources and create a national network of demonstration areas dedicated to integrated forest management.

Second, to intensify research on the potential impact on the forest environment of disruptions due to natural causes and human activity and to transmit the knowledge thus acquired.

Third, to enhance the productivity of woodlands in selected regions and increase the yield per hectare through improved management and enhanced protection of our forests, in such a way that multi-use of woodlands is possible.

Fourth, to reduce the waste produced by forest operations and wood processing. To rationalize the use of wood in various manufacturing processes leading to finished products.

Fifth, to undertake a systematic policy analysis, so as to better understand the decision-making process in the forestry sector and harmonize the various timeframes involved, bearing in mind economic, ecological, political and program considerations.

Mr. Speaker, we all know that the forestry sector is almost entirely a provincial responsibility. The provinces own about 80 per cent of our productive woodlands, the federal government only 12 per cent, while 8 per cent belongs to private landowners.

Although the vast majority of these lands belong to the provinces, this does not mean the federal government should renege on its responsibilities and leave everything up to the provinces.

[*English*]

My second proposed amendment was, as I expected, ruled out of order. I still wish to press the point that the forestry workers be protected. I am very concerned about the layoffs in the industry. Not enough is being done to retrain these people. I had proposed that training programs in co-operation with other departments be established for laid off workers.

We also need people in the forestry sector who have first-hand knowledge of the industry needs toward initiating training programs that would have a much higher rate of success than the current general programs offered. Taking into account the reason why my amendment was inappropriate, I caution the government that we on this side of the House will be vigilant in order to ensure that forestry workers be given the most chances to either recuperate their job or to have access to a training program geared to accommodate their talents and aptitudes.

[*Translation*]

I felt that adding "in co-operation with the other departments" to the amendment would have been enough. However, I hope the government will consider suggesting that the department in question propose a job recovery program specifically for workers who have been laid off in the forestry industry.

[*English*]

The third amendment that I proposed to this bill, I am pleased to say, received a favourable response from the government, so favourable I might add that the government proposed an identical one in substance. This clause deals in essence with exports and the competitiveness of Canadian forestry products on a global scale. It was mentioned briefly in clause 7(b) of the bill, but in a vague and unspecified manner. I had proposed to strengthen this.

When you take into account that the forest resource has an annual value of about $33 billion in goods shipped, the industry is also Canada's leading export sector, accounting for an annual net trade surplus in this sector of around $16 billion. As a result, the government

added section (e) to clause 6 stating "to seek to enhance the utilization of Canada's forest resources and the competitiveness of Canada's forest sector domestically and internationally."

I would like to say a few words on the interesting comments made by a witness who testified before the legislative committee on this bill. The witness, Mr. Leslie Reed, professor in industrial resources, faculty of forestry, University of British Columbia, stated five possible elements in a strategic plan. The first element was production targets that are doable and measurable. How much timber and non-timber do we want to have in the year 2000, 2020, 2050 and so on? It is pretty hard to talk about policy in a vacuum. We must think in terms of targets of predictable capacity.

On this I would like to point out that Canada's productive forests cover a total area of 220 million hectares or approximately 50 per cent of the area of this country. Over the years 12 per cent of those lands have not been satisfactorily restocked. We are looking at an increase of 240,000 hectares or nearly a 1 per cent per year increase in unforested land. Granted 88 per cent has been restocked. However this means that this year it may be 13 per cent, 14 per cent next year, and 15 per cent the next year.

[*Translation*]

We cannot let this kind of situation go on. Furthermore, according to the Auditor General's report for the fiscal year ending 31 March, 1988, at section 7.7:

> Lack of adequate forest management in the past has resulted in depletion of the forest resource. Significant shortages of wood are now reported at the local level in every province. Restocking of productive forest lands has not kept pace with the harvest, and this threatens future forest productivity. Given the importance of the industry to Canada's economy and social structure, it is clear that any significant decrease in the supply of wood will have a serious impact on all Canadians.

Mr. Speaker, I may also add that since 1903, Sweden has had its "one for one" law which says that for every tree that is cut down, another one has to be planted. In Canada, similar legislation was passed for the first time in 1987, by the province of Quebec. In fact, there is a lot of catching up to do, and we must start today and take the lead.

The second point raised by Mr. Reed was priorities. There are a number of things we want to do. These priorities should be ranked carefully. Our first priority should be silviculture and reforestation, as I said earlier.

[*English*]

His third point was an action plan that says in effect this is what we are going to do and these are the time frames we are working in. In 2 years, 5 years, 10 years, 25 years from now, this is where we expect to be. Too good to be true.

• (1650)

His fourth point was about accountability. We have to make someone accountable, someone to whom we can come back and make sure that the mandate indeed has been fulfilled.

I questioned Professor Reed on this point. I agreed with his term "accountability". I then asked how the federal government could be involved in such a process in perspective with the provincial jurisdiction in the Constitution. He replied that most reports talk about responsibility. This is a soft word. I prefer talking about accountability and enforcement, supervision, inspection and reporting. I think there is an easy way for the federal government to exercise leadership in a way that will soon have teeth. This goes back to my amendment "monitor and promote the development and application of forest management codes and standards".

His fifth and final point dealt with the monetary aspect. This is where the feedback, updating and change come in. Again this refers to my amendment which aims at supplying the necessary funds to guarantee the viability of our largest industry in Canada. This is where we will reap the benefits or, hopefully, not the disaster of our efforts.

I want to refer to comments by another witness who was invited to the legislative committee. Mr. Jim Cayford, executive director of the Canadian Institute of Forestry, gave a very good definition to the meaning of integrated management which was inserted as an amendment in clause 6, section (d).

[*Translation*]

By integrated management I mean, first of all, the management of Canada's forestry resources in terms of various products and services, and second, management in terms of lumber, fauna, environmental values, water, woodland areas and recreation. This is a very complex field, I have no doubt about that, and I would say that in

most cases, one use should take precedence over other uses in a particular area.

Increasingly, we will be faced with the following dilemma: Should governments promote the interests of industry or the environmentalists? Many misconceptions and misunderstandings are created by lack of direction and information. However, I am convinced that in the long run, both parties will understand each other's values and will be able to reach a compromise.

[*English*]

Mr. Cayford went on to suggest several very good points. I will not state them all but I would very much like to quote the following:

> We propose that the duties and functions of the minister should include specific reference to the establishment of an interdepartmental committee on forestry. This committee should be chaired by the Department of Forestry and have the responsibility to review all forestry programs of the federal government and to prepare an annual federal forestry budget.

I spoke to Mr. Cayford abut this suggestion. He indicated a requirement long overdue, that all the various national and provincial forest industry associations meet once or twice a year for information sessions. Government officials from the department and the minister's office would be present to listen to their concerns and proposed solutions to the different problems facing the forestry sector of our economy. Their contribution is extremely valuable because they deal with the forest on a daily basis.

What better way for the federal government to acquire all the current, up-to-date information and suggestions from the various sectors of the industry across the country. On this point, I have heard that the minister is very much in favour of such a conference. I would like to attend such a meeting, which I hope will take place in the very near future.

In conclusion, I would like to quote the words of Professor Reed:

> Let us not kid ourselves. Either we have a commitment to forestry, either the provinces put up long-term strategic plans that have substance and then follow through in a courageous way, or they are not entitled to the federal sharing of funds.

This statement is in total agreement with what I have said earlier about the conditions that should be attached to the federal contributions in the Forest Resource Development Agreements.

In closing, on September 26, at the second reading of this bill I said that under the Constitution Act, 1982, natural resources including forests are a provincial jurisdiction. From an environmental point of view, this does not mean the federal government should divest its responsibility for the forest sector. The industry needs us and national parks need the federal government. We should take our responsibilities and show strong leadership.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I am pleased to participate today in third reading of Bill C-29, the long-awaited legislation to establish the department of forestry. As all members know, third reading is generally an opportunity to wrap up the discussion and debate and to review some of the amendments that have been made both in committee and in report stage to this most important legislation.

I say it is important because we heard a great deal in committee and in this House about just how much forestry impacts all of us, whether we live in northern British Columbia, northern Ontario, or in fact in downtown Toronto where a number of people depend on the forest for their cheques because of the wealth that our forests generate.

It would help us to remind ourselves of the over 300 communities that depend on the forest industry for their livelihood. It is the number one industry in this country, with some $38 billion generated annually. Some 840,000 Canadians are employed in all of the various forestry sectors. This bill and this debate is very important to many people in this country. It is a credit to this House that we have come to this point with this bill.

We have come to this point not without some work. The Prime Minister had promised this legislation some five years ago and we are finally just about there.

During discussion in committee, we pursued a number of the different clauses of the bill and questioned the minister who appeared on a number of occasions, and we thank him for that. We asked him if there was going to be more. This was housekeeping legislation, the government said, it was basically administrative in nature. Members on our side presented a number of amendments and, to use the words of one of the members, the

government liked the flavour of our amendments but chose at this time not to adopt those amendments or to support all of the amendments that we put forward.

You may not be aware, Mr. Speaker, that there have been discussions and the standing committee on forestry may be approaching yourself, Your Honour, and the important committees that decide these things to review the mandate of the department to talk to Canadians about forestry issues. Let us do that, and when we do and we hear from Canadians, let us be prepared. Let us get the commitment from the Prime Minister to enhance and strengthen the minister of forests' hand as is needed so that he can ensure that Canadians know that our forests, our national heritage if you like, are being well protected.

Just before I go into a couple of points specifically on the legislation, I want to read from a couple of letters from some of the people to whom I wrote and have been keeping up to date on the progress of this legislation. Let us hear what they had to say.

I am particularly pleased, for example, with a letter from the IWA of Canada which recently passed a new environmental policy. The IWA is aware of the importance of forests, not just for jobs but also with regard to the role that forests play in the environment and in our recreation. The letter is from Ms. Claire Dansereau, their environmental planner, commenting about our proposal for an annual forest ministers' conference and also for a conference every five years of the first ministers so that they can talk about our number one resource in this country.

• (1700)

They also supported our recommendation for a forest trade commissioner so that we would not get into the bind that this government has us in with the memorandum of understanding on the softwood lumber tariff. I will comment on that a little later.

All of the Canadians we know who live in our ridings and our communities talk to us about their jobs and the forests. They talk about the debate in the newspapers and on the radio and TV between environmentalists and the loggers, and ask how we are going to resolve this. They ask are we going to be able to use some of the responsible suggestions such as the one put forward by the leader of our provincial party, Mr. Harcourt, who has proposed a sustainable development policy so we can resolve those disputes.

I just want to read into the record a letter from Colin and Nelia Barnfield from Victoria. I extend my thanks to the member for Victoria who assisted here on Friday in the report stage of this bill. The letter states in part, "In order to be truly effective, we believe that a federal Department of Forestry should have the authority to stipulate precise management procedures for the sustainable development of the forests and lands over which it has jurisdiction and to be required to take appropriate legal action against any party which fails to follow these management procedures."

I know my friends in the Liberal party will support that because we have talked about it in committee. I know that when we get into the debate about our forest resource development agreements and how important they are to the replanting of our harvested lands, the intensive silviculture that has to take place, we will see that those standards are in place.

I am pleased that we did have an opportunity to present some amendments to this legislation that received the support of all parties and were passed. One that I am particularly proud of was the amendment I proposed that strengthens the minister's hand when it comes to the development of a public awareness program as it relates to our forests.

I think the polls are showing now that Canadians are aware more than ever of the importance of our environment. Of course, that goes hand in glove with the importance of our forests.

I suggest that we do not need a public awareness program that basically pats us on the back, that is just more rhetoric or pits the loggers against the environmentalists. I know the minister will certainly pay heed to a public awareness program—a national education program perhaps—that ensures all components of forests are considered when developing this awareness, most importantly for our young people.

I am also pleased with the amendment to clause 10 to the annual report provisions. When this legislation was first introduced in the House one of the first comments I made was that an annual report to Parliament should be an important event. It should not just go into the pile that ends up in the recycling bin. The filing of an annual report by the minister of forests should be an important event in this Chamber and give us the opportunity to debate some of the expanded areas that our amendment proposed. We talked about the need to have information, but it should not be restricted to information on

forest employment, which is often forgotten, as well as an inventory of Canada's forest lands.

In British Columbia we are talking about most of our province where we do not even know what is out there in our forested land. An inventory has not been done for 20 years. Our Ministry of Forests in British Columbia does not know what there is to cut out there. So that inventory is critical. It is important that we hear about that in this House.

A survey of the environmental standards should be applied by the forestry industry. All we have to do is to have watched the news last night and the headlines today. "Ottawa Condemns Alberta Pulp Mill Proposal". If this government and the provinces got their act together, then we might not run into this situation where we have projects proceeding. The federal official quoted in this article suggested that, "We"—meaning the federal government—"could not stop the project". This is a pulp mill proposal. We know the haste with which the provincial government in Alberta is proceeding on this matter. He stated that they could not stop the project from being built, but once built we could shut it down if it contravenes federal regulations.

If that is not an indication of the problem that we have with this government's inaction in putting together an environmental assessment procedure that is fair, that works with the provinces, industry and all concerned people, we are going to have ridiculous situations like this. We are going to continue to have these federal-provincial conflicts.

I should comment, while discussing the inventory of our old growth forests in our province and some of the new species that are becoming valuable as a resource now, that today there was a cabinet shuffle in our province and a new minister of forests was appointed. My colleagues from British Columbia would probably agree with me that anybody would be better than the last one. The last minister, frankly, was giving forestry a bad name. It is early, of course, to judge the new minister.

The message I have for the federal minister is that as quickly as possible he should meet with the new provincial forest minister to ensure that especially the discussions and the negotiations, whatever have been taking place on the Forest Resource Development Agreement with B.C., get under way immediately.

One of the provisions in the legislation that gives the minister some authority to do some work—and this is a proposal I have that I think I would like the minister to consider—has to do with a lot of the resource use conflicts that we are hearing about. I think there is a certain degree of frustration, if you like, on the companies' part, on the part of people who work in the woods, the environmentalists, those concerned with native land claims, and, frankly, with the provincial governments. I am referring to the clause in the legislation where the minister is able to appoint committees.

It is my suggestion that he consider as one of the first actions to take a measure to appoint a committee upon the voluntary referral from any of the interested groups in these resource conflict areas that they sit and consider, collect and collate much of the federal information that is available from the federal government, its expertise in the forest research area and the economic development areas and, of course, the work that we hope is being done to settle land claims. I suggest we attempt to provide some outlet, if you like, for the frustration that I know is out there.

I think this would be a way for the federal minister to show his concern in this field and to give us an opportunity to work with those interested groups to ensure that these resource conflicts are resolved. We are respectful of provincial jurisdiction, but I think it is important, as the Minister of the Environment here has already offered to the province of B.C., to have assistance and research in the old growth when it relates to the Carmanah Valley. That is the kind of co-ordination I think we need.

I have not heard much yet about the department's work in single industry towns. My brief message there is to the minister and his department. Let us not just restrict it to sitting down and going through a few Statistics Canada reports and regurgitating information that has already been there. Let us get a chance to go and talk to some of these communities that are suffering now from a lack of wood supply. There are a number of mills in my home town that are suffering now. I would ask the minister and the government to consider much more seriously some of the work in the single industry

towns, a section of the Estimates that they have mentioned.

A lot of these communities are suffering. I was lucky to be in northern Ontario just a short time ago, in Thunder Bay and Kenora, where we talked about the forestry issues there and, in particular, the memorandum of understanding, the softwood lumber tariff and, of course, how this government sold out Canada's forests with that deal. As I said before, I hope Pat Carney is listening today because her government sold it out, with the help of the Prime Minister who said it was a good deal for Canada.

His own minister now recognizes, some couple of years later, that maybe we made a mistake. We are going to revisit the issue with the United States. I said: "It is about time". I said it in stronger words than that, but the editors at *The Toronto Star* edited out a few of the words. It is about time this government paid attention to the issue that the memorandum of understanding and that tariff is causing us.

In our province alone, the reporter mentions British Columbia accordingly jacked up its stumpage rates.

• (1710)

I managed to do a bit of research this morning with my colleague, the provincial member from Prince Rupert, Dan Miller, our provincial forest critic, to talk about what this has meant in B.C.

What has it meant in my part of the province? From the information I have prepared, basically because of the effect of the MOU by this government and by that crazy government in British Columbia, we have seen stumpage rate increases in northern Ontario of over 56 per cent. There is no flexibility built in. It is a hard and fast method. Obviously the social credit government and the Conservative government are in collusion on this. It is obviously one of the first issues that the federal minister should deal with, in consultation with the new minister. Let's get a move on. It has been too slow already.

The forest resource development agreements are dealt with in the legislation. We have spent a good amount of time in committee and in this House debating those agreements. The reason we are doing that is because they play such an important role for the federal government and the provincial governments to get together and help manage our resources.

This government has allowed these agreements to expire; six of them expired at the end of March. The minister is making his way along. We learn a little bit here and a little bit there about what the criteria is going to be. Who knows if this government really knows exactly what it is doing. The provinces, at least in western Canada, have identified some $400 million of their needs for forests. Yet we hear from this government that there might be $242 million available for all sectors, for all provinces.

I remind the minister that when he was on this side, as reported in the April 18, 1984 *Hansard*, of a question he put to the then Minister of the Environment. Of course the Liberals at the time were not sure just what to do with the minister of forests. At least the government across the way has agreed to create a full department of forests, not like the Liberals whose leader came to Prince George in the 1984 campaign and opposed a full department of forests.

The current minister, in a question to the then Minister of the Environment asked: "Is it really because the minister does not have the money to take to the bargaining table?" Well, I think the same comment could apply today. I think the minister responsible for western diversification who was here earlier will have to be held accountable sooner or later for the lack of help to our forests in western Canada.

In the few minutes I have left I want to wrap up about the importance of forestry to this country and to all members of Parliament, whether we are from urban or rural ridings. It is the minister of forests who should be the minister for sustainable development. Let us get his annual report on recycled paper. He should be the number one environmental department. As he says, the trees are the lungs of the earth. Well, our lungs work too.

The point I am making is that people have a livelihood from our forests and this minister should be responsible for that. He should be given the resources for that and the strength to do that.

In closing, I just want to say as a member of the committee I know that we are all sincere in our debate on this matter. I want to wish the staff of the new department well, because often they are the ones who do a lot of the work. I want to wish the minister well—not a lot—and we will see them all in committee.

Ms. Hunter: Mr. Speaker, I am pleased to rise and comment on my colleague's address to this motion. I know that my colleague from Prince George—Bulkley Valley was responsible for the amendment to a motion increasing the public information component to this ministry.

As a member of the environment committee of this House I think it is crucial that there is more public information. We have heard very worrisome testimony in the environment committee about the kind of degradation of the forests and the relationship of that to the global warming, the phenomenon that is threatening us all.

I have a question for my colleague. The new minister of forests I trust will actually be the minister for sustainable development, particularly for the resource provinces like British Columbia from which we both come. How does he feel that that is actually going to be realized with this new ministry of forests?

Mr. Gardiner: Mr. Speaker, I thank my friend and colleague from Saanich—Gulf Islands who I know from our discussions has a great deal of concern over forests not only in the country and internationally but also in her own riding.

The first way to get that awareness out there, one simple way, is through the minister's annual report. It should be on recycled paper. It should be made available to schools across this country and to as many people as possible so that they can see what is taking place across the country.

He should sit down with his provincial forest ministers and provincial education ministers to see that the informational material on our forests is available to our schools. Even Adam Zimmerman thinks that we should get together and find that common data base so that we know what we are dealing with.

If we do not get that information to young people I think we may be doomed. I thank the member for her concerns in this regard. It is an excellent point. The way to hold the government accountable is in this Chamber and in the forestry committee where we will see that he gets the work done we want done.

Mr. Funk: Mr. Speaker, I would like to add my words of praise to the work that the hon. member has done on this particular bill. I think he has done an excellent job of alerting the forestry community, certainly in western Canada and even in my province where I do not think he has even visited the forests. However his name is certainly known there for the good work that he has done on this legislation.

I had the opportunity to work with the member on a proposal to the minister calling for the creation of community conservation brigades which would be groups of young people. We had proposed 12,000 from Canada who would be taken on as conservation brigades to fight fires, to plant trees and so on in the forested communities of the country.

I would just like the hon. member to comment on what prospects he might see for that kind of initiative being adopted.

Mr. Gardiner: Mr. Speaker, I too want to thank the member for Prince Albert—Churchill River. He is right, I have not visited his province yet. I hope to do that soon. I fly over it on the way home, so I have seen the big picture from time to time.

The member is right. He presented an excellent idea to the minister and to provincial ministers. We have received some favourable comment from some of the provincial ministers. I believe even the federal minister gave a little bit of a nudge and a wink in that direction.

As we work in developing these forest resource development agreements, I think that is a method and a way to deal with it. When the legislation is passed, it gives the minister the mandate to get on with the job. If he likes the idea, let us work together. I cannot think of a better way to do the public awareness that the member for Saanich—Gulf Islands talked about than through a conservation program that works with young people.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, it is with a great deal of pleasure and pride that I have participated in the debate on Bill C–29. I wish to take this opportunity to thank all individuals who participated in the process for their valuable contributions. I wish to congratulate the opposition for its fine performance.

I would especially like to highlight the important contribution of my colleague, the hon. member for Cochrane—Superior, his very valuable amendments, especially those dealing with the monitoring and promoting of the development and application of forest management codes and standards. I would also like to congratulate the member for Cochrane—Superior for his persistent fight against the 15 per cent export surtax on softwood lumber. My hon. colleague will certainly

agree that it is indeed a pleasure to have the opportunity of improving the government's legislation.

• (1720)

Last week, the Minister of State for Forestry expressed his appreciation for the amendment concerning the definition of sustainable development which I proposed during the committee deliberations. I would like to thank the minister for supporting my amendment. I am extremely pleased that he is finally beginning to see things my way.

[*Translation*]

Mr. Speaker, the definition of this expression in a bill, namely, that sustainable development means meeting the needs of the present without compromising the ability of future generations to meet their own needs, is a very significant step in dealing with the environment. Bill C–29 is the first piece of legislation in Canada to contain this definition.

As you no doubt know, Mr. Speaker, several groups have criticized the federal Government for using an expression that has no current definition and that can easily be misinterpreted. From now on, the Government will no longer be able to bandy this expression around thoughtlessly. Furthermore, my amendment will ensure that the Forestry Minister will play a key role in preserving Canada's precious woodlands.

[*English*]

The term sustainable development was originally coined in 1987 by the United Nations Royal Commission on Environment and Development chaired by the former Norwegian Prime Minister Dr. Gro Harlem Brundtland. Indeed, the Brundtland report must take a great deal of the credit for the current and apparently high level of public concern about pollution and the global environment.

The report's main recommendation called for the international adoption of the concept of sustainable development, a blend of strong economic growth and environmental regulations aimed at preserving the planet as a hospitable habitat for mankind.

With respect to the forestry sector, the inclusion of a definition of sustainable development in this legislation will ensure that the forestry department will have regard to the conservation and effective management of our country's valuable forests. As the minister said in a CBC interview in Edmonton last week, and I quote: "Forests do more than sustain an industry; they sustain our environment". With that in mind and with a definition in law the foundation has been laid for the effective management and conservation of Canada's forests.

Although the forestry bill has been improved and strengthened by the diligent work of the opposition and the co–operation of the government members of the legislative committee, it still has several shortcomings. During committee deliberations many witnesses testified that the forestry sector was of such vital importance to Canada's economy that it needed a strong department to represent it.

The executive director of the Canadian Forestry Association, Mr. Glen Blouin, stated categorically that the mandate given to the forestry department ought to have been stronger and more all encompassing. "Such a mandate", he said, "would have reflected the significance of the forests to all Canadians in terms of the environment, balance of payments, employment, tourism and recreation".

Unfortunately what we have is a department with little clout. Mr. Blouin asked for the government to give the forestry department control of the vital forest resource development agreements, a mandate to provide leadership in all matters relating to forestry, along with a budget to reflect the importance of this new department. Instead, the department suffered a $28 million cut and a personnel reduction of 47 person–years in the budget tabled last spring.

Moreover, the minister still must run to other government agencies such as the Atlantic Canada Opportunities Agency, western diversification and the Department of Industry, Science and Technology in order to obtain the money to fund forestry agreements with the provinces. Is that what you would call a strong department? Definitely not.

As I said earlier, the creation of a forestry department is of considerable importance in the recognition of the importance of this sector. Unfortunately this bill does

not provide the forestry sector the representation it needs. How could it, after all? The government is creating a department, yet it is reducing its resources.

In fact, forestry suffered an 11.9 per cent cut in the 1989–90 budget while all other natural resource based programs received budget increases. For example, the environment department's budget grew by 9.4 per cent. Energy, Mines and Resources received a 22.9 per cent increase. Fisheries and Oceans had its budget raised by 6 per cent, and agriculture received a 21.5 per cent increase.

I ask you, Mr. Speaker: Where is the government's commitment to forestry? It cannot go on setting up a department and then pull the rug out from underneath it. That just does not make sense.

If this new department is going to represent Canada's forestry sector effectively, it must receive a budget increase similar to those received by natural resource based programs.

[*Translation*]

Mr. Speaker, during the deliberations of the legislative committee on this Bill, the executive director of the Canadian Institute of Forestry, Mr. Jim Cayford, also said that the Government does not specify the new department's role clearly enough. He stated that the new department should have national responsibility, in that it should play a leading role in forestry, promote research and technology transfer, conclude federal-provincial agreements on forestry resource use, compile data on forest resources, conduct studies on the industry, marketing, trade and forestry economics, promote international forestry relations; set up programs concerning human resources management, employment and education; and, finally, make the public fully aware of this new project.

Talk about a tall order! However the new department will never be able to assume the leadership role described by Mr. Cayford unless its budget is geared to that kind of challenge.

The Minister told us that forests are among the priorities of his government, yet the only natural resources component has been downgraded. Why such disparity? Why would the government claim it will do more for the forest sector when in fact it will be doing less?

Our forests deserve better treatment. To a large extent, our country's growth can be traced back to this sector. It has been the foundation of our economy. Today still the forest industry remains one of the cornerstones of this nation. Nobody should underestimate the significance of the forest sector in our economy: Canada has 4.31 million square kilometres of forest, or about 176 square metres of forest for each of our 25 million inhabitants.

Close to 300,000 people earn their living directly in the forest sector, and it provides indirect work for about 750,000 other Canadians, including railway workers, truck drivers and heavy equipment operators in related fields.

Last year, productive forests made it possible for us to ship in excess of $30 billion worth of goods. One seventh of manufacturing revenues comes from a forest-related sector, and our forests account for more than $17 billion of Canada's net trade balance, more than agriculture, fisheries and mines put together.

Mr. Speaker, the great importance of the forestry industry for the Canadian economy requires much government leadership so that the Government can promote and enhance the health and viability of this sector. However, this Bill gives no weight or importance to the Department of Forestry, since it will have to obtain funds for forestry development agreements from other departments and agencies of the federal Government.

The federal-provincial forestry agreements with Nova Scotia, New Brunswick, Ontario, Manitoba, Saskatchewan and Alberta expired on March 30. In addition, the agreements with Newfoundland, Québec and British Columbia will lapse next March 30.

It is inconceivable for a government that says it supports the forestry sector to allow such a situation to occur. To date, these agreements have not been renegotiated. The Government must rectify this situation, because these agreements are vital for the future of Canada's forests.

• (1730)

Federal-provincial forestry agreements have provided over $1.1 billion for reforestation and management since 1985. More than 50 per cent of these funds come from the federal Government. These agreements will encourage increased forest management activities by providing

funds for ground preparation, tree-planting and plantation maintenance.

[*English*]

The Canadian Council of Forest Ministers issued a document in 1987 entitled "A National Forest Sector Strategy for Canada", calling on the federal government to improve and continue the forestry agreements. The federal government must take the upper hand in order to ensure that forest resource development becomes the cornerstone of Canada's forestry industry.

Although this bill as amended and reprinted, following the recommendations of the opposition, is much improved, it still provides the minister with responsibilities for the forestry agreements. Indeed, the minister's commitment to the agreements is somewhat shaky. When he appeared before the legislative committee, he expressed his reservations with respect to the forestry agreements. He said that whether or not the federal role in the forestry sector is best served by the agreements is an open question. He also said that the forestry agreements were, in his view, not the most effective way to manage the resource.

The Canadian Institute of Forestry has said that forest renewal must remain the essential element in future agreements, and that the agreements were very crucial to the future of the industry. Moreover, the Canadian Forestry Association has also said that the agreements are critical to the future of forestry in Canada.

How can a minister deny the importance of these agreements, while everybody agrees that they are extremely important? Does the minister know something we do not? If that is the case, I would appreciate him sharing that information with us.

The necessity of these agreements becomes even more clear when considering that world consumption of forest products is expected to increase substantially within the next 20 years. Without sound agreements to ensure the future of Canada's wood supply, there is no way that this country will be able to meet the demands of the future. Is that what the minister means by sustainable development?

It is very interesting to note that a study which was commissioned by the Canadian Forestry Service, the Woodbridge-Reed report, neither addressed the environmental ramifications of forestry practices in Canada nor the urgent necessity of implementing adequate reforestation. All this study mentioned was that the forestry industry's output would increase over the next 20 years. Without adequate reforestation and without a continued commitment from this government to forestry agreements there will, quite simply, be no usable wood supply left in the next 20 years.

Why is the government establishing a forestry department? More importantly, is this government not taking the future of Canada's forestry sector seriously? Canada's forestry sector needs to be improved if it is to remain competitive with the rest of the world.

The 1988 Auditor General's report stated that three considerations directly affect decisions involving investment in reforestation. First, the vastness and great dispersal of the forest demand necessitates large expenditures for forest management. Second, federal investment in forestry usually also involves the provinces. Third, the growing cycle for mature forests involves a time span of between 40 to 80 years.

If the government claims that it wants to take the lead in the forestry sector, then its decision to manage and invest in forestry must reflect a commitment to a long-term view of the resource. The only way it can do this is to provide the minister with the responsibility for the forestry agreements. It must renew its commitments to these forestry agreements.

In conclusion, I would like to say that although we of the Liberal party support the principle of a full-fledged forestry department and agree that Bill C-29, as it now stands, is much improved because of the interventions of the opposition, we are duty bound to express many reservations which we have in regard to this legislation. The government is not out of the words with this one yet. It has voiced its commitment to the forestry sector. It has set up the department, although it has actually reduced its resources. It must now provide the strong leadership needed to ensure the health of this sector.

The opposition will be diligent and unrelenting in its endeavours to ensure that the government will give forestry the support which it needs and that it will live up to its commitments.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I am extremely happy to have a chance to speak on this bill. I had hoped to be able to speak on second reading, but it ended fairly abruptly last week. It was with some pleasure that I realized I would have a chance to express a Saskatchewan perspective on the question of forestry.

It may come as a surprise to many members of this House and the people of Canada, if like my esteemed colleague from Prince George—Bulkley Valley, they have not visited the forests of Saskatchewan or flown over or driven through southern Saskatchewan, have the perception that there is not a tree in Saskatchewan. I know there are trees in Saskatchewan. I have planted about 2,000 of them on my farm. My family now has to look after those trees and they know that there are trees, at least on that patch of ground.

It is a little recognized fact, and one of the problems that the Saskatchewan forest industry faces, that 46 per cent of the land area of the province of Saskatchewan is in forests and 20 per cent of that is commercial forests. If you contrast that with 40 per cent in agriculture you realize that the commercial forests are half the size of the agricultural portion of Saskatchewan.

In my constituency of Prince Albert—Churchill River, 90 per cent is forested. It is a major issue in half of the geographic area of Saskatchewan. Through the years, it has been very difficult for that fact to be recognized, especially in our own province. Forestry is the second leading industry in Saskatchewan; 10 per cent of the gross provincial product comes from the forestry sector, both direct and indirect. In 1985, $290 million and probably more now, of income to the province was generated by the forests. As well, 8,000 people are employed in the forestry sector.

What happens in forestry is very important to the people of Saskatchewan, although it admittedly has not been a leading player in the forestry scene in Canada historically. Since agriculture is so dominant in Saskatchewan, that tends to be the leading economic debate. The population of the forested areas is sparse, therefore it does not have the numerical or political representation on the federal scene. It is a mere 6 per cent of the forests of Canada, and although it is a very significant land area and income generator that often does not get recognized.

It was, however, recognized by my predecessor, a former member for Prince Albert, the Right Hon. John George Diefenbaker, who took a major initiative in this country by bring in the ARDA program in the late 1950s as an attempt to bring to life the economy of those communities that relied both on agriculture and forestry. That was a pioneering step, one which we should re-examine and perhaps consider reintroducing. In the context of the new department, some of those ideas might well be brought back.

I personally became involved with the forestry sector in Saskatchewan in 1982 when there was a major forestry congress in Saskatchewan. It was a very successful congress. The Saskatchewan Forestry Association, the industry and the unions, the IWA, the CPU, felt it was time that we as a sector in Saskatchewan took a hold of the situation, put our views on the record, analyzed what we had, and charted a common game plan.

At that time, the first round of FRDA agreements were in the process of negotiation and a large part of our intent was to create some kind of vehicle for input into that process. It turned out very well. The awareness within the province jumped to another level. Coupled with the activities that occurred as a result of that FRDA agreement, in many ways forestry has experienced its best seven years in the history in our province.

• (1740)

I would very much like to second the motion of my colleague for Prince George—Bulkley Valley that public information be a significant portion of the new department. It was an amendment that was adopted. I think activities like the forestry congress to launch the new FRDAs—and hopefully there are FRDAs—or to acquaint people with the activities of this department might well be a route to go. A congress like that every five years or so in every province is an excellent way to get the sector in thinking on the same wavelength.

FRDA had a funding level of $28 million, $14 million from the federal government, $14 million from the provincial government. It did some significant things. In firefighting, it allowed the development of a computer and a detection system that Saskatchewan did not have before. They purchased inventory and new equipment, trained people, and so on.

I have to confess that when the Auditor General said some provinces skimmed the FRDAs to carry on activities they should have been doing anyway, I thought that that applied in Saskatchewan, especially with reforestation. In 1982 the Devine government gutted the reforestation program. I know that because I live two miles from the forest nursery where they were burning trees and little seedlings because they did not have the money to plant them. Nevertheless, through this FRDA agreement, we are back up to the 10 million seedlings a year level. We need 20 to 25 million, however, to catch up on the backlog, because only half of our annual harvest is being reforested.

Also we started some initiatives in Indian forestry. A good portion of the land area in commercial forestry is either now on Indian reserves or potentially so if the claims are settled. As well, the Indian communities that are not reserve communities obtained some benefit from the fact that the Indian forestry was recognized as a sector with a training institute. Farm woodlots were also introduced, going back to the old ARDA idea.

The most critical aspect was the introduction of technical expertise to the province which we never had because we were a small industry. We did not have the personnel in many of the technical areas. FRDA brought together a critical mass of expertise that has been of tremendous benefit not only to the public sector of the communities, but to the private sector and the province as well.

We were disappointed when that did not come through. We were disappointed when we saw that there was only 28 per cent of the money available under the new regional development agreement in western Canada compared to what it was under the old ones, $242 million instead of $870 million. If that equation, 28 per cent, applies to the new FRDA in Saskatchewan, that would be a $4 million agreement, which would really be a pittance.

However, I have made representations to the minister of WDO. Somebody criticized the current structure, saying the ministry of forestry has to run all over to get its money. I think that is a valid critique, not to diminish the role of the minister of WDO, but it would be nice if forestry had its own money here. I have indicated to that minister that the two main priorities under the new ERDA agreements, or children of ERDA, need to focus, first of all, on renewable resource sectors with forestry as the leading renewable resource sector. Second, we need the the development of organizational capacity at the community levels so that people can organize businesses and contracts to take advantage of opportunities and create opportunities for small businesses that utilize wood products. Third, we need to retain that expertise in the province that is so critical. We cannot do with any less. Even in that context we are happy that there is a department at least to relate to, and to start focusing some of that thinking.

Hopefully it will give some focus to the whole notion of sustainable development and the very critical role that the forest areas play in that. The vast majority of the land mass of the country is forested. How we treat that land mass is a very critical part of any attempt on our part to control climate change and to do our part to stop soil erosion. I think we have a real opportunity there.

Although we are supporting this legislation, perhaps we could offer some words of criticism with regard to the government's fundamental direction as is indicated here. The government ran on a platform, until it got sidetracked by free trade, of managing change. That is a very legitimate challenge for any government to take up. But I do not think, in all honesty, that this challenge is being met, certainly not in respect to the forest when only half of the reforestation is taking place that should be. Also, there is over-investment in capital in many cases for pulp mills. There has been huge private capital investment in plant and equipment that will not have the forest to process, or the wood product to process in a very few years. There has been a misdirection of resources. No matter what is the ideology of the government in something like forestry, it is its responsibility to make sure the investment is made in the right places. With all due respect, I do not think that this bill reflects the fact that the government realizes that.

There has not been nearly enough emphasis placed on benefiting the people who live in the forest, the communities of the forest. That is not only their physical environment, but their economic environment. I think that has often been lost.

In that context, I would like to mention that it has become widely noted that the hinterlands of Canada, the resource producing areas are being ignored. Even *Ma-*

clean's magazine saw fit to devote a cover story to the fact that the resource producing areas of this country, the hinterlands, and the people who do not live in big cities, are being ignored by this government. That is partly the result of 85 per cent of the land mass being represented by the opposition, and only 15 per cent by the government. It is starting to be reflected in the policies of the government.

For example, when one considers changes to the UI, increasing rates on fly-in food by 30 per cent, charging people $16,000 to $20,000 to get a private line phone, taking away the northern allowance, and what is happening to agriculture which often interrelates on the fringes of forestry, the communities of the forests are really hurting, in many cases, as a result of government policy. If there needs to be money invested, it would be best if it came from the people who actually lived there, but because of many of the government's actions they are not having the opportunity to do that.

In closing, I do appreciate the fact that we now have a department. I would again like to put on the record that the resources are woefully inadequate and that the forestry community, both the professional as well as the community at large are very disappointed. It has not been seen as a victory by people who are interested in the forests. It points out again that what this government has is not so much an image problem as a substance problem. This sums up as well as anything that all too many times we are getting an awful lot more image than we are substance. I challenge the government to take that into account as the process of evolving this department into full reality takes place.

Mr. Deputy Speaker: The hon. member for Prince George—Buckley Valley on a question or comment.

Mr. Gardiner: Mr. Speaker, I certainly appreciated the contribution the hon. member for Prince Albert—Churchill River made to the debate on this legislation. I know his concern for his riding and his province with regard to forestry. We have had many discussions on this topic. I take up his offer to visit Saskatchewan sometime rather than just flying over the province and get a chance to see some of those forests first hand and maybe even the nursery near where he lives. The hon. member is shaking his head in agreement, I am glad for that.

The member raised a question, and I am pleased to see that the minister responsible for western diversification is actually in the chamber right at the moment. The member mentioned that from what we have been able to glean so far, there appears to be a lack of funds available not only to forestry but other sectors in western Canada, as well as the funds that have to be shared with the provinces. The part of this that we often forget is the role that the provinces have in designing their priorities so that when they sit down with the federal minister, or federal counterpart, that they can work out some kind of priority listing. In B.C. we have already talked about our new forest minister and our hope that the federal minister and the new provincial minister will get together quickly.

• (1750)

I am interested in knowing if the Saskatchewan government puts a high priority on forestry. Do they see it as a sunset industry like some provinces do, as many Conservative provinces have, or are we looking at a government that is going to try and use this federal money to win a few more seats or buy off a few more people? Does the Devine government really care about forestry?

Mr. Funk: There is quite a difference between what one hears and what one sees. One hears a fair bit from the provincial government about its commitment to forestry, but really it has pretty much been restricted to helping companies like Weyerhaeuser which has turned out to be not a bad corporate citizen. Nevertheless, the energy has gone toward helping the corporate sector gain greater control of the forestry industry, with some modernization. They have really neglected reforestation, the community end, and the training end. In fact, what they have done has often been, quite frankly, at the expense of the forestry agreement. It was money they should have been spending anyway. In fact, covered under the agreement I think that it is a legitimate critique.

I might also reiterate that it is part of the problem of the Minister of Forestry having to go all over the place for money. For example, in the conservation brigades which we suggested, I thought it was a great idea to hire and train 1,000 young people in Saskatchewan in a constituency where $35 million a year is paid out in welfare. Approximately the same amount is paid out in unemployment insurance. We had fires burning out of control, and half the forests that should be replanted not being replanted. I thought devoting $6 million in Sas-

katchewan, a federal contribution, putting 1,000 young people to work accomplishing those tasks would surely be a good use of money. I think the government should have spent money on that, but as is so often the case everybody said it was a good idea but bureaucratically impossible.

We have to use this department. We have to give it enough authority to make sure that we can shake some of those bureaucratic trees so that what actually makes sense actually gets done.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, bill read the third time and passed.

Mr. Cooper: Mr. Speaker, may I thank the members of the House for their co–operation. We have no further business to call at this time so I would call it six o'clock.

Mr. Gauthier: Mr. Speaker, I would like to comment on that statement. I think the government realizes today that with co–operation, understanding, and good relations the House deals quickly and efficiently with subject matters.

Mr. Deputy Speaker: It being 6 p.m. this House stands adjourned until tomorrow at 11 o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 5.53 p.m.

HOUSE OF COMMONS

Thursday, November 2, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

CANADIAN ADVISORY COUNCIL ON THE STATUS OF WOMEN

TABLING OF ANNUAL REPORT

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I am pleased to lay before the House, in both official languages, the 1988–89 annual report of the Canadian Advisory Council on the Status of Women.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to several petitions.

[*Editor's note: See today's Votes and Proceedings.*]

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ORDER IN COUNCIL

TABLING OF APPOINTMENTS AND REFERENCE TO STANDING COMMITTEES

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government, pursuant to the provisions of Standing Order 110(1).

MEMBER OF THE SENATE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have circulated a motion to all sides of the House, a motion which in essence would be calling Senator Cogger to attend the bar of the House.

I simply want to say that since this session began in April there have been approximately 70 motions that have passed during routine proceedings without proper notice being given, based on unanimous consent and without debate.

I think we would agree that consent is given on dozens of occasions in any month to suspend rules of the House in order to let bills receive report and third reading on the same day, to dispense with the bells for votes and to apply votes. I think it is fair to say that hundreds of times the opposition parties have been asked for unanimous consent. We have always given it because we recognize that consent is appropriate in providing good government and for the effective and efficient business of the House. We realize that this place only works as a result of co-operation on all sides.

I think it is appropriate that I ask today—and this is the first time in 10 years that I have asked for unanimous consent—to present a motion and to pass it without debate. I do not want to take up important time of the House. I do not want to disrupt any aspect of routine proceedings. We are anxious to get on with the debate of the day.

I am asking my colleagues in both the official opposition and as the government to provide unanimous support to allow this motion to be put without debate.

• (1110)

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I want to thank the hon. House leader for the New Democratic Party for having given me a copy of the motion that he is now putting before the House.

I was interested in his comments about unanimous consent in this House. He is quite correct in saying that we are always happy when the House can work on a basis of mutual co-operation and discussion. I want to stop a second and say that I was interested in his remark that we always have given unanimous consent. I think perhaps the member was caught up in his own enthusiasm because there has been so much good co-operation. I do not think we always give unanimous consent, neither within his party, the official opposition, nor within the government. We like as much as possible to co-operate, but that is a bit of an ideal world.

To get to the motion itself, I think for such motions there has been a procedure that is more or less laid out. I am referring to Chapter 15, "Standing, Special and Joint Committees" of Beauchesne's, Fifth Edition, that seems to indicate that the normal procedure for attaining the goal that the member proposes today be first and foremost that a request be made to the person who the member would like to call, and that procedure should be followed.

I think in this circumstance the government cannot see anything exceptional happening which would not require that we go through that normal procedure before coming to this exceptional measure of asking the House for unanimous consent.

Mr. Riis: Mr. Speaker, I appreciate the advice from my colleague. I listened yesterday to suggestions from the Solicitor General and also the minister responsible for the Federal Business Development Bank that questions regarding Senator Cogger ought to be raised in the other place. This makes it difficult for us in the New Democratic Party. I suppose it makes it impossible to raise it in the other place because we do not have members in the other place—not that we want members in the other place. The reality is we are not there.

I wonder, Mr. Speaker, with your indulgence, if I could ask for clarification from my hon. colleague. From what I can gather he supports in principle this idea, but had a further suggestion on a more appropriate way to proceed in order to have Senator Cogger appear before the House. I must admit I did not follow him carefully.

Mr. Speaker: The minister has raised the suggestion that there may be another way to do this, if in fact it was the disposition of the House to do it. I think I should advise members that certainly the past practice has always been that in a circumstance like this a request is sent by the House to the Senate prior to moving on a motion which is the same as the one that has been proposed by the hon. member for Kamloops. I am just bringing that to members' attention because I think the Chair might have to intervene on this.

Mr. Charest: If I understood you correctly, Mr. Speaker, I think you and I, with all respect, are more or less indicating the same thing. The procedure that would be normally followed by the hon. member if he wishes to have somebody in that person's capacity as a senator to come before the House would require that the request be sent to that person.

What I am saying today is that on procedural grounds I think the motion put forward by the member is a bit premature, that he should first go through what has been established in the past as being the procedure that should be followed in such circumstances and then come before the House again if he feels he has not been successful in that procedure.

Mr. Speaker: Perhaps I should clarify the situation. The notice of motion which the hon. member for Kamloops put on the Order Paper is asking the House for an order that a certain Senator attend at the bar of this House. The request the hon. member for Kamloops has now put to the House concerns another motion which has been distributed to hon. members, which reads:

> That a message be sent to the Senate requesting than an Order of the Senate be issued for Senator Michel Cogger to attend at the bar of the House for the purpose of providing information concerning the receipt of public moneys by any firms with which he has been associated.

As I understand it procedurally we are now in the position where the Hon. Member for Kamloops is asking if the House would consent to this order without debate at this time. Am I correct?

Mr. Riis: Yes, that is correct, Mr. Speaker. I say with all due respect to my colleagues that this is a common practice in the House. For many months and years we have been providing, on most occasions, unanimous consent to permit the government to initiate motions of one kind or another without the proper notice. I recognize, as you have pointed out, Sir, that I have not given adequate notice and have changed what is on the Order Paper. For that reason I am seeking unanimous consent, without debate. As I have indicated, I have no intention

of stopping the procedure of the day in terms of dealing with the orders of the day.

I seek unanimous consent to move this motion without debate and hopefully have it passed.

Mr. Speaker: I thank the Hon. Member for Kamloops for making the situation completely clear.

The position that the House is in now is that on the proposition put forward by the Hon. Member for Kamloops the question is: Is there consent? I will hear the minister on that narrow point.

Mr. Charest: Mr. Speaker, to respond to my hon. colleague on the question of what usually constitutes an issue of consent, I think the House knows there is consent to matters that refer to procedures within the House and things that come under the jurisdiction of the House. We may find as we look at the motion before us now that it refers not to something that relates directly to the day-to-day operations of the House for which there is, as my hon. colleague points out correctly, many instances when there is co-operation and consent. For that reason, as I have mentioned before, because there may be other procedures that normally would be followed I do not think you will find the government would be willing to go along with my hon. colleague's proposal.

Mr. Speaker: The situation now is that the Hon. Member for Kamloops has put forward a motion and is asking the consent of the House to send a message to the Senate with respect to bringing a senator before the bar of this House. That would, if it was to pass today, require consent. The government has indicated that it is not prepared to give consent. I point out to the Hon. Member from Kamloops that that of course does not in any way impede the hon. member from bringing the matter in another way on another day.

* * *

PETITIONS

PROPOSED GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the duty to table several petitions relating to the Conservative government's proposal to impose upon Canadians a goods and services tax starting January 1, 1991.

These petitioners, and there are several hundred, maintain that this new imposition of additional taxes after having been subjected to 31 new taxes and tax increases since this government took office in 1984 would be really unjust and unfair to many Canadians and would put a severe hardship on low and middle-income Canadians. Also, it would impose on small business an onerous burden in administrative costs. To the objective that they would like to reach with this government to withdraw this proposal, the petitioners humbly pray and call upon Parliament to reject the proposed goods and services tax.

• (1120)

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have a petition here signed by a large number of people from the Pembroke, Petawawa, Deep River, and the Cobden area. They are very concerned about the 9 per cent goods and services tax that this government is planning to lay on the people of Canada.

They point out that there have already been 31 new tax increases since this government took power in 1984. They also recognize that the Conservative Government has increased the manufacturers' sales tax from 9 per cent to 13.5 per cent in recent years.

They feel that this 9 per cent goods and services tax which will be levied on all goods will be very detrimental to average and low-income Canadians out there. They request that the government withdraw this plan, go back to the drawing-board and come up with a tax that is fair to all Canadians.

The petitioners are absolutely opposed to any 9 per cent goods and services tax because of its unfairness and also because of the inability to apply it fairly.

VIA RAIL

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise under the provisions of Standing Order 36 to table a petition that has been certified correct by the Clerk of Petitions. I present this petition on behalf of the residents of Thunder Bay, Ontario, who call upon the Government of Canada not to cancel in whole or in part passenger rail services in Canada.

UNEMPLOYMENT INSURANCE

Mr. Gilbert Parent (Welland—St. Catharines—Thrilled): Mr. Speaker, I have the honour to present two petitions today. It is particularly apropos that the Minister of Employment and Immigration be here because I

wish to table a petition on behalf of the thousands of workers in my riding who are worried about the proposed changes to the unemployment insurance program. You, Mr. Speaker, are aware that today we are to have third reading on that bill.

The petitioners urge the Canadian Government to rescind its decision to withdraw its contribution of $2.9 billion to the UIC fund. In so doing the petitioners also wish to remind the government of a prior promise made to Canadians that social programs would not be cut.

WELLAND CANAL LANDS

Mr. Gilbert Parent (Welland—St. Catharines—Thorald): Mr. Speaker, the second petition has to do with the Welland Canal lands. I have the honour to table a petition presented to me by Mayor Roland Hardy of Welland on behalf of thousands of my constituents who are concerned about the future use of the Welland Canal lands.

The petitioners urge the Canadian Government through the Ministry of Public Works to retain the Welland Canal lands as a major heritage and tourism resource for the benefit of the people of the immediate area, and also for all Canadians who would be interested in enjoying this enclave of natural beauty.

It should be noted that Mr. Terry Hughes of Welland, Ontario, co-ordinated many different groups to gather these signatures. I reiterate my own personal belief that not one square inch of the canal lands should be sold.

RIGHTS OF THE UNBORN

Mr. Al Horning (Okanagan Centre): Mr. Speaker, I have the honour to present a petition with 33 names asking this Parliament to enact legislation which would effectively protect the life of the pre-born child without distinction as to the stage of development. These 33 names represent people from my constituency.

PROPOSED GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have the honour to present a petition pursuant to Standing Order 36 which has been certified correct by the Clerk of Petitions. This petition is from a number of western Canadians who are very concerned about the government's intention to impose taxes on a whole range of goods and services that are presently not taxed by the federal government in terms of the sales tax. They point out that any tax that would tax children's clothing, story books, skating, music lessons and so on has to be inappropriate.

They are calling upon Parliament simply to encourage the government to stop proceeding with the goods and services tax.

VIA RAIL

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on another matter, unrelated, but again very important, petitioners from western Canada are concerned about the government's intention to cut VIA Rail service. They go on at some length in a very elaborate and thoughtful petition pointing out that passenger rail service is the most environmentally sound alternative to move people.

They are asking the government to indicate that if it is concerned about environmental deterioration that it reconsider cutting back on VIA Rail service and actually invest in a modern passenger rail system something which virtually every other western industrialized nation is doing.

[*Translation*]

OPPOSITION TO OVERFISHING

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, it is my duty to present a petition to the House signed by people in my riding, residents of Saint-Thomas, Cocagne and Cormierville. Your petitioners humbly declare that the sovereignty of Canada has been violated and its resources pillaged by countries engaging in overfishing off our coasts. By doing so, these countries have caused a crisis in the Atlantic fisheries, threatening the livelihood of dozens of communities. Therefore, Mr. Speaker, your petitioners humbly pray and call upon Parliament to extend its jurisdiction to include the entire continental shelf, so that Canada can protect the fish resources so vital to communities in Atlantic Canada.

[*English*]

VIA RAIL

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have the honour and privilege today to present a petition properly certified by the Clerk of Petitions.

The petitioners are residents of the city of Thunder Bay, the area I represent, who strongly oppose and urge this government to reconsider its position with respect to the action they intend to take on VIA Rail services in northern Ontario.

I might say that should the government decide to go ahead with the proposed cuts to VIA Rail—for the first time in over 100 years—people along the north shore of Lake Superior, including Thunder Bay, Nipigon, Red Rock, Ignace, Dryden and Kenora will no longer have passenger rail service available to them.

Mr. Rex Crawford (Kent): Mr. Speaker, once again I have the honour to rise in the House pursuant to Standing Order 36 to present a petition on behalf of the residents of Thunder Bay. The petitioners humbly pray and call upon Parliament to urge the Government of Canada to come to its senses and not to cancel in whole or in part the VIA Rail service in Canada.

PROPOSED GOODS AND SERVICES TAX

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I have the honour to present a number of petitions signed by residents of my own constituency about the proposed goods and services tax. The petitioners claim that the government, and rightly so, has not addressed the unfair taxation system currently in place which permits wealthy individuals and corporations to pay little or no federal tax while forcing lower and middle-income taxpayers to bear more of the national tax burden.

The petitioners call upon Parliament to reject the current proposal for a goods and services tax and reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations.

VIA RAIL

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, I have the honour to present a petition on behalf of a number of people from Thunder Bay. The petitioners call on the government to maintain and upgrade VIA Rail rather than cutting it.

PROPOSED GOODS AND SERVICES TAX

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, it is my honour and privilege to present two petitions today. The first petition is on the proposed goods and services tax and has been signed by many residents of southern Ontario, all of them who speak with rage and with anger at the proposed imposition of this goods and services tax.

Many of the people who have signed this petition have joined with other members of the Bowling Proprietors' Association, one of whose members presented 1,100 signatures in my office just the other day.

They wish to point out for all Canadians the wide impact of the negative aspects of the GST, that is, those who engage in an exercise that is both recreational and healthy will not be able to profit from some of the rebates that the government is proposing. There will be some 600 jobs in that industry lost in Ontario alone if this proposal goes through.

VIA RAIL

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, the second petition is signed by residents of Thunder Bay who are objecting strenuously to the fact that one of the basic infrastructures of this country is being derailed through the cuts to VIA Rail and who now find themselves isolated from all other Canadians.

The petitioners humbly pray and beg this House to engage the minister to reconsider his proposed cuts to VIA Rail.

• (1130)

[*Translation*]

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, in accordance with Standing Order 36, I would like to table in the House a petition signed by people from Thunder Bay who strenuously object to the dismantling of VIA Rail. Considering that the region of Thunder Bay has enjoyed VIA Rail services for over a century, the dismantling of VIA Rail will not only be disastrous for the region's economy but also for all users of this transportation mode.

[*English*]

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition on the subject of VIA Rail which has been certified correct by the Clerk of Petitions. The petition calls upon Parliament to maintain VIA Rail in Canada's present national rail network, to upgrade VIA Rail with new equipment, and to give VIA Rail a sufficient budget to maintain its national mandate for passenger service.

It is one of a long series of petitions, signed by some 55 constituents from the riding of Kootenay West—Revels-

toke, including signators from the cities of Rossland, Trail, Nelson and Castlegar, the villages of Fruitvale and Slocan, and the communities of Winlaw and Waneta.

PROPOSED GOODS AND SERVICES TAX

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, it is my pleasure to rise pursuant to Standing Order 36 to present to the House a petition opposing the government's proposed goods and services tax measures.

These petitions are literally flooding in to all members of the opposition. This particular petition from individuals in Maple Ridge and surrounding areas, and Pitt Meadows in the lower mainland. It asks that the government reject the current proposal for a goods and services tax. It also asks that the government reform the tax system so that there is an effective minimum tax on wealthy individuals and corporations, and to ensure that if and when there is a broad public consensus on the sales tax measure to replace the manufacturers' sales tax, this reform measure not be an opportunity for the government to impose a massive tax grab which is just what this proposed goods and services tax is.

It is also my pleasure to provide a similar petition also signed by a number of constituents in the Maple Ridge area again protesting the Draconian measures taken by the proposed goods and services tax.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, it is my honour to stand on behalf of several Canadians and present this petition duly submitted under Standing Order 36. These petitioners humbly showeth that the goods and services tax is an unfair tax in that it does not regulate itself on the basis of a taxpayer's ability to pay. They also state that the taxation on reading materials, haircuts, diapers and so on is a regressive, unfair tax, and they humbly pray and call upon Parliament to reject the current proposal for a goods and services tax.

FAMILY VIOLENCE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, in accordance with Standing Order 36, I rise to present a petition on behalf of men and women in my constituency of Mission—Coquitlam. This petition is in response to the statistics that one out of every ten Canadian women is beaten by the man she lives with, one in four is sexually assaulted or abused, and every 17 minutes a Canadian woman is raped.

The petitioners humbly call on this House to provide alternatives to protect women and children from violence by increasing funding for transition houses and advocacy centres, and ensure that women receive greater protection under new laws.

PROPOSED GOODS AND SERVICES TAX

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, it is my duty and also my pleasure, pursuant to Standing Order 36, to present a petition from a number of residents of British Columbia who are strongly opposed to the goods and services tax because of its lack of regard to the taxpayers' ability to pay. They are asking the government to ensure that if and when there is a broad public consensus on a sales tax measure to replace the manufacturers' sales tax, this reform not be an opportunity for the government to impose a massive tax grab.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 144 and 156.

[*Text*]

FEDERAL WORKERS' COMPENSATION PROGRAM

Question No. 144—**Mr. Foster:**

Does the government propose to establish a federal workers' compensation program and, if so (a) what is the current status of the proposal (b) will the program apply to all workers under federal jurisdiction, including uranium mine and process plant workers who are now subject to Atomic Energy Control Board health and safety regulations (c) on what date does the government plan to implement the program?

Hon. Jean Corbeil (Minister of Labour): While one of the options under review is the formation of a federal workers' compensation board, I have instructed my departmental officials to pursue possible improvements to the current process which could achieve similar results and ensure greater harmony between the federal and provincial systems.

a) Proposals are being detailed prior to consultations with clients, provinces and other affected parties.

b) The program proposals will apply to the current Government Employees' Compensation Act clients (Federal Public Service and some Crown Agencies). It will not be expanded to the Atomic Energy Control Board jurisdiction.

c) The date of implementation, if there are significant changes, has yet to be determined.

VIA RAIL SCHEDULE

Question No. 156—**Mr. Milliken:**

When does Via Rail intend to publish its new schedule consequent upon the cuts announced by the Minister of Transport?

Hon. Benoît Bouchard (Minister of Transport): The management of VIA Rail Canada Inc. advises as follows:

VIA's new schedule, effective January 15, 1990, will be available in the last week of December 1989.

[*English*]

Mr. Deputy Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, if questions Nos. 84 and 106 could be made Orders for Return, the returns would be tabled immediately.

Mr. Deputy Speaker: Is it the pleasure of the House that Questions Nos. 84 and 106 be deemed to have been made Orders for Return?

Some Hon. Members: Agreed.

[*Text*]

WESTERN DIVERSIFICATION FUND

Question No. 84—**Mr. Skelly (North Island—Powell River):**

1. Since the creation of the Western Diversification Fund, what was the total amount of funds dispersed?

2. What were the names of the companies who benefited and, in each case, by year, the amount involved and the purpose?

Return tabled.

MEMBERS OF VISIBLE MINORITIES

Question No. 106—**Ms. Mitchell:**

1. For all years for which records are available, under Employment Equity legislation (a) what is the number (b) what is the percentage of jobs held by visible minority persons in the private sector (i) by sex representation (ii) by age representation (iii) by occupational category (iv) by provincial breakdown (v) by year in total (c) what are the government employment targets for visible minorities?

2. For all years for which figures are kept (a) what is the number (b) what is the percentage of jobs held by visible minority persons in government departments (i) by sex representation (ii) by age representation (iii) By occupational category (iv) by department (v) by year in total (c) what are the employment targets for visible minorities by department?

3. Do any Crown Corporations have visible minority members on their boards of directors and, if so (a) which ones (b) in what percentage?

Return tabled.

[*English*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of Employment and Immigration) moved that Bill C-21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, be read the third time and passed.

She said: I am very pleased to begin this final stage of debate on Bill C-21, an act to amend the Unemployment Insurance Act. It was last April when I first rose in the House to announce the government's labour force development strategy and our intention to amend the UI act as an integral part of that strategy.

Since then hon. members have spent some considerable time in this House and in committee debating the new directions, the priorities, and the merits of the labour force development strategy.

[*Translation*]

A legislative committee to consider Bill C-21 was struck and held its first organization meeting in June this year. At the time, opposition Members proposed a travel schedule that was approved without changes by government Members. At the suggestion of the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand), the committee did not travel right away but spent two preparatory months getting acquainted with the contents of the Bill

and the provisions of the unemployment insurance system, attending talks on the technical aspects and analyzing statistics. During the past two months, the legislative committee spent four very busy weeks collecting evidence and listening to the views of Canadians across the country.

[*English*]

This bill was subjected to the scrutiny of a large number of people. It was applauded and it was criticized from a wide range of perspectives. The range and diversity of viewpoints reassure me that we have developed a bill that contains just about the right degree of reform.

Prior to introducing the bill in the House, the government had spent a lot of time and energy designing the labour force development strategy and drafting Bill C–21. To assist us in our work, we had the recommendations on labour market adjustment measures and income supporter arrangements from the Macdonald commission, the Forget inquiry, the Standing Committee on Labour, Employment and Immigration, and the de Grandpré advisory council.

A great deal of study and reflection has gone into these issues in recent years months. It is now time to get on with the passing of Bill C–21 and implementing the results.

[*Translation*]

The fact that we wanted to pass this legislation and implement its provisions and all the components of the labour force development strategy as soon as possible does not mean that we ignored the critics of this Bill. In this respect, I must say I appreciate the diligence and sense of commitment of the legislative committee, and I would like to thank all its members for accomplishing a difficult task. Thanks to their efforts and those of many Canadians who took the trouble to appear before the committee, we have made a number of major changes in the Bill.

[*English*]

One of the criticisms, raised a number of times, dealt with the proposal to increase penalties for those who left their jobs voluntarily for no just cause and simply chose not to work. Witnesses who appeared before the legislative committee expressed concerns about the definition of "just cause" and the process for deciding whether a cause is legitimate and is just. Women's groups, in particular, spoke of the problems women face in identifying sexual harassment as a reason for quitting their jobs.

• (1140)

It has been and will continue to be our policy, as a government, to regard sexual harassment as reason for leaving a job. But in response to the concerns expressed, we amended the bill to include a definition of "just cause" for greater certainty. This definition specifies that, among others, sexual harassment is indeed a just cause for leaving a job. It has been worded carefully so as not to result in any loss of flexibility, or in any narrowing of interpretation. At the same time, it provides legislative expression to the protection that women and other UI recipients deserve.

We also listened to hon. members and to the many Canadians who raised objections to the duration of benefits for adoptive parents. I certainly understood their concerns, and we attempted to deal with those with considerable sympathy. I am very pleased, as a result, that the House approved the amendment that we drafted. It will meet the needs of the majority of adoptive parents in a way that conforms with the Charter of Rights and Freedoms.

I also want to draw the attention of the House to two other amendments, first proposed by the hon. member for Ottawa West, and accepted unanimously by the legislative committee. One of the member's amendments will ensure that disabled persons have access to training by providing them with the special facilitative devices they need in order to participate in classroom courses or other activities.

The hon. member's second amendment concerned UI recipients who are offered developmental opportunities, specifically the capitalization of their benefits to establish themselves in self–employment or to move to another location. The amendment will guarantee that these individuals are informed of how this choice may affect their future eligibility for benefits.

[*Translation*]

The Committee thinks that these proposals are extremely valid, and I agree with it. We on this side of the House are pleased that all the amendments which I just spoke of were made to the Bill. They go a long way to meeting some of the concerns raised about Bill C–21. But, Mr. Speaker, they do not deal with everything.

Opposition Members and many groups who met members of the legislative committee felt that it was not right to finance other training programs and increased special benefits from the unemployment insurance account. Their criticisms were sincere, but the Government does not agree.

As for parental benefits and those for workers aged 65 and over, these significant improvements are really part of a modern unemployment insurance plan.

[*English*]

With regard to training, we are building on a foundation that is already established. The UI program taxes employed Canadians and employers, so that assistance can be provided to workers who lose their jobs, both with income support and with the opportunity to train for new employment, and to build a more stable future.

As I have said in the past, our workers face many new challenges today. They require new and changing skills, as they go about their job, just on a day–to–day basis. As a result, many unemployed Canadians need more than income assistance. They need training and other types of help in order to find lasting, secure, and satisfying jobs. The government believes, therefore, that UI funds provide an entirely appropriate and practical way of meeting those training needs.

Moreover, this source of funding is entirely consistent with our goal of encouraging the private sector to play a more dominant role in training. In order to pay for these new priorities, the UI program of course must be made more efficient. Having said that, let me state emphatically that the UI program will continue to play a critical role in Canada's social support system. It provides, and it will in future provide income replacement to those who need it. In addition, we will maintain the ability of the UI program to respond to differences in regional labour markets. The new variable entrance requirement will, if anything, make the program more regionally sensitive.

[*Translation*]

The legislative committee and others who followed the deliberations know that companies, unions and others were unanimous on the need for increased training nationwide.

Mr. Speaker, the Government believes that the business community, labour, non–governmental organizations and community interest groups who provide training should have their say in the design of a new training program as part of the labour force development strategy.

That is why I began a major consultation with the private sector, in particular, with representatives of workers, business, training institutions and others. Their recommendations will help us flesh out the specific measures of the program.

In implementing a labour force development strategy, the Government will fully maintain its commitment to employment equity objectives, that is, ensure that women, native people, members of minority groups and the disabled will be able to benefit from the new opportunities provided in all our programs.

[*English*]

By way of conclusion, the government had to make some very difficult decisions in drafting Bill C–21. The situation that we confront is neither black nor white. It is a question of finding the right mix among measures that result in improvements and those which minimize any potential adverse impacts. We have been very conscious of those difficult realities and we believe that we have achieved the right balance with sensitivity to local and national needs.

I am very anxious to see Bill C–21 passed as it will enable us to launch a major new effort to increase the training of Canada's labour force, and ensure that it has the requisite skills in demand by employers and by those workers themselves. The task before us is primarily one for employers, workers and educators.

Bill C–21 will provide the government with the necessary resources to encourage those groups, our partners, to get on with the job.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I rise, obviously, in opposition to this particular bill,

especially after I heard the intervention of the hon. minister. I am not sure that we are talking about the same bill.

I guess I would have to start by contesting some of the affirmations that have been made with such assurance; first of all, that the committee that was studying Bill C–21 had ample time to consider all of the deliberations. It will be instructive for all members of the House to appreciate that the legislative committee was empowered to study this bill only after with the opposition that the committee actually do travel, and in so doing perhaps get a sense of how the government and the country should actually be receiving this Bill C–21. The committee was not empowered to travel until the end of August. After much debate, the committee went to 14 cities in a bare 21 days. It was able to hear 202 briefs, 157 of C–21. If the minister actually did read them, as she said she did, and I have no reason to believe that she did not, she will have been struck by the absolute visceral as well as steady reaction to many of the amendments that she says were absolutely necessary for the UI bill to reflect the new needs of Canada.

• (1150)

The fact that there were others who did not react as vehemently is a reflection, as the parliamentary secretary to the minister has said on several occasions, of the fact that there were interest groups that wanted to promote a particular view and vision of what should happen to the UI legislation.

It is fair to say that perhaps repetition does drive home a point. Of those who actually found something worth while in this proposed bill, most objected strenuously to the government's withdrawal from the UI program; that unemployment insurance was no longer going to have the participation of the government.

That is important for all hon. members because unemployment insurance was deemed to be unconstitutional and that the government did not have the right to introduce such a program until 1940 or 1941. There had to be a constitutional amendment introduced empowering the government to participate in such a program. That constitutional amendment gave the government the right to be a third party in a tripartite program whose scope, whose intent, and whose direction was insurance, income support, and income maintenance at a time when a contributor might find himself or herself without work. In other words, this program was supposed to be designed to ensure that there would be a modicum of continuance and constancy in the revenue required by Canadians from all provinces, from all sectors of our economy, and from all classes of our society to live with the decency and dignity that a fair remuneration would give to all Canadians which we value as one of the paragons of western civilization.

When we were faced with many of the organizations who came before us as a legislative committee, we took to heart some of the studies that they produced, some of the statistics that they generated, and some of the other surveys that they examined and researched by way not only of contrast or of support in some cases, but in all cases there was the view that the Unemployment Insurance Commission changes represented by Bill C–21 were in fact in the best interest of all Canadians. However, 157 of the 202 organizations who appeared before the committee said, "Absolutely not. This in no way represents Canadian interests, in no way at all".

The parliamentary secretary says, "You're wrong". In most cases the hon. member was there when all of these presentations were made and heard exactly what they said. We had representations from church groups, poverty groups, labour organizations, business organizations, organizations representing the disabled, women's groups, ethnic groups, farmers' groups, fishermen's groups, all of them, to a man or a woman said that this government is headed down the wrong road; the direction that it is pursuing is absolutely inimical to the interest of all Canadians. The parliamentary secretary knows that. I cannot understand why he would persist in suggesting that because there were labour groups that actually dared to question the statistics presented by the government, that in some fashion they were speaking an untruth, were perpetrating an image or an illusion that the truth lies somewhere outside the government's statements on this issue.

Members of our committee would have dearly loved to have heard from the general public, many of whom had written to the committee and asked for the right to appear. In all cases where they were able to do so, we heard a tale of woe. It is not surprising. This country is a vast territorial entity. There are great diverse and divergent social and economic conditions and realities that

prevail in such vast territorial domain. What does our government do? It treats them all the same.

I ask hon. members how parliamentarians could possibly consider a monolithic hegemony for this country's conditions. It takes eight hours by plane to go from one end of the country to the other. Yet we adopt a program that suggests that this government is going to pursue amendments to one of the most fundamental programs for this country, not simply on a social basis, but on an economic basis. Perhaps it will serve the deliberations of this House some purpose to consider the economic perceptions that prevail everywhere except in the minister's own department.

We were not able to meet all Canadians on an individual basis groups which were, in the opinion of some members of the committee, and I dare not mention their names lest I incur the wrath of the parliamentary secretary, who does not want to be referred to directly or indirectly in that regard, and lest, in fact, that we learn that people in Canada will suffer. In Vancouver the committee found that farm workers, many of whom are newly arrived Canadians whose dependence on very low wages puts them at the mercy of economic realities beyond their ability to dominate, but who are willing enough to take whatever employment is available in the market-place. Many of them, because of their own financial condition, must engage in sacrifice, thrift, saving, and in self-restraint. In those circumstances they work happily on the farms, facing in many cases the kinds of dangers that people who work in an agricultural environment today face as a result of the proliferation of chemicals that are designed to produce a much more attractive product.

Because of the limited growing period, and in terms of the market value of the industry in which they are engaged, these people must earn a salary from which they can derive sustenance for their family and pay for the necessities they require while living on the west coast.

Bill C-21 is going to literally devastate their opportunities to maintain a modicum of income that will see them through those times when the demands of the market-place and the climatic realities will restrict their opportunity to fall back on a system into which they paid. This is something the parliamentary secretary and many members of the government side cannot seem to fathom or appreciate, that these people contributed to a system from which they hoped to derive benefit at a time when they found themselves unemployed.

• (1200)

All those people who came before the committee were members of a community whose dependence on the market realities was further heightened by the fact that their linguistic skills in English were less than adequate to give them an opportunity and an entry point to the larger market-place. For those people we are going to impose a system that restrains even further their opportunities to engage in the kind of activities that will give them the occasion to profit from their own labour.

There is no great dignity in this particular bill offered to Canadians. The minister said a few moments ago what this bill will do. I have to restrain myself, Mr. Speaker, after having listened to those presentations and having seen some of the very moving presentations by individuals who are going to suffer as a result of them.

I had to restrain myself when the minister said that the amendments presented under Bill C-21 would give Canadians an opportunity to engage in work that will be lasting, secure and satisfying; three qualities that will magically surface the moment this particular bill is presented and accepted before the House. I do not know how that will happen; in fact neither did any of the 202 people who presented briefs and testimony before the parliamentary committee or, I dare say, all the others who were unable to appear before the committee but took the trouble to write about their views. I do not know how that is going to happen and I dare say neither does the minister, but there is a certain blind faith that this kind of activity is going to be well worth while for everybody.

Before I begin my presentation on my party's view of this bill, it is instructive as well, as I found it instructive, to hear what the minister had to say in glowing terms, I might add, about the government's sincere intent to listen to criticism and to make this bill a paragon of great legislation.

My colleague on the committee smiles as well because quite frankly, Mr. Speaker, I had to ask one of the messengers to go over and give him some water because he was about to croak when he heard some of these things. The minister says: "We accepted amendments", referring to just cause, "because we were receptive

accepted as well amendments regarding adoptive parent's rights". I think she said the government moved the motion on adoptive parent's rights, and that she was delighted to be able to say that there was unanimous consent in the House in providing through an amendment assistance devices for the disabled. I think the "blues" will bear me out when I say she found these to be "extremely valuable". And she pins her symbolic hat on Bill C–21, on these three items. One does not know whether to laugh or to cry.

These were the absolute minimum that the committee could garner from the minister and her department. We had to use a crowbar to pry free some sort of receptivity of attitude; that we could not possibly present this kind of legislation before the people of Canada and leave out those three items.

Upon reflection all members will realize that these three items were imposed upon the government. They were not generated by the government's desire to create a bill that was going to work for the benefit of all Canadians. No, they were imposed by court decisions, by charter demands.

The minister and her department have the unmitigated nerve to take full credit for something like this. Well, the government might take some credit and on a political plane I would say fine, but let us recognize from whence these kinds of suggestions come. They are prerequisite of our judicial system, our Charter of Rights and Freedoms and the hard work of committee members on both sides of the House.

Finally, the minister agreed that since we were twisting the department's arm she would do this. She said something else that was most instructive, that is, that unemployment insurance changes would now "tax employed Canadians and Canadian employers" in order to serve the interest of those who are unemployed.

How do we serve the interests of the unemployed when in one fell swoop the government eliminates for them a right to which they had become accustomed, a right around which they were building their daily and annual lives, a right around which they were planning the economic future of themselves individually and of their families collectively.

How can we say this is working for the good of all Canadians when, with the new requirements under Bill C–21, we will effectively deprive people of an opportunity to qualify for the unemployment insurance which they paid and to which they had become accustomed, if they wanted, to live under certain conditions and in certain regions of the country. I do not know how we can do that. I do not know whether it is going to be instructive for us to go detail by detail, individual by individual, family suffering by family suffering, in order to get the point across.

The government on one hand says to us: "Here is a macro view of the world, and you have to learn to understand how we as Canadians will work in this new view". So we do that. We take a look at the government's statistics. We take a look at its surveys. We take a look at how it arrives at its conclusions. We may present a contrary view of the mechanisms and the procedures that will be required in order to implement this new vision.

The word "vision" implies some sort of depth of perception. It requires some sort of philosophical thought. I think it requires a certain amount of planning, based on more or less verifiable facts and conditions, which are going to prevail not only today in the short term but down the road three, four, five, ten years. Dare I say that perhaps it involves planning with an image of a Canada that will go beyond the end of this century.

That might be one thing. However the moment we present a contrary view, the department pooh–poohs all this stuff as garbage. It says it is nonsense. It is not coming from its side of our analyses. Departmental officials say: "It is not coming from our researchers therefore it has no validity so we go on the individual assessment". What is the micro impact of this macro view of the way the world is unfolding in Canada?

It might have been instructive for the minister to have joined us, for example, in Saskatchewan where we had presentations by people who are normally extremely skilled at what they do. They are members of the trades organizations—bricklayers, carpenters, electricians and plumbers who have been paid for their own skills development on an ongoing basis from the moment they entered their particular career. They are people who did

not wait for the minister to say that this country needs skilled labour, who did not wait for the government to say: "We have to get more money out there so that we can educate our people, make them more mobile in terms of labour necessities".

These are people who were, of their volition, of their own energy, out of their own costs, willing to go forward and educate themselves, train themselves, hone their skills, and move to the markets where those skills were in great demand. They appeared before the committee and pointed to periods during the year or in the economic cycles where 80 per cent of members whose skills and training require better than five years of post-secondary education were unemployed. I know that my NDP colleague from Saskatoon, who was a member of the committee, will verify these statistics.

• (1210)

These are people who have an understanding of what it means to prepare oneself and one's families for all difficulties and changing realities of the market-place.

What did they do? What else did they say? It would have been instructive for the minister to have heard, in some cases when they have 80 per cent unemployment and even when they do not, that when the new market invites their skills they move. They go from one part of Canada to another. Many of them move to southern Ontario. There is one Canada, and then there is southern Ontario. While I come from southern Ontario I make no apologies for the wealth and prosperity that is there, even if some of my colleagues from Winnipeg would say: "No, this is unfair". It is unfair but at least the people are trying to make a go of things.

When my friends, my fellow Canadians come from Saskatoon, Saskatchewan or from other provinces out west they bring their skills to southern Ontario because the market-place there requires skills that are already there and already proven at no cost to Ontario and its educational system, at no cost to the social programs in Ontario, and at no cost to the industries in Ontario.

We get a beautiful finished product, but what happens to those people? Well, they move in flocks. I believe the hon. member can bear me out, but there was a 2,000 net emigration out of Saskatchewan in order to meet the demands presented some place else in order to address the inconsistencies of the economic environment of the day in Saskatchewan. The minister says: "Well, we need a population that is better trained. We need a population that is willing to move".

She does not seek to develop an economic strategy that will address the interests of those from northern Canada, northern Alberta, northern Manitoba who appeared before the committee and highlighted with some great chagrin and regret that there was upward of 90 per cent unemployment in some of the northern communities and that when employment opportunities were created they were filled by southerners.

They pointed to a desire to develop skills and training, a new economic environment in northern Canada, but even now they would not be able to look to the unemployment insurance system for that little income maintenance to which they at one time, prior to the presentation of this bill, could look with some sense of planning, sense of direction, and some sense of organizing their lives for themselves and their families.

It might have been instructive if the minister had been with the committee when we went to Montreal and saw the presentations before the committee from organizations on the west side of Montreal that pointed to the unemployed and gave us a particular picture, which I am sure would move her to think in different terms about this particular bill. Some 37 per cent of those people who were unemployed in west Montreal had education levels that were less than Grade 8.

I remind the minister that a Grade 9 and Grade 10 education today qualifies most Canadians as functionally illiterate. That means that they are unable to qualify for higher skilled jobs, for programs that will give them an opportunity to enhance training.

Aside from being that 37 per cent having below Grade 8 level education, what else would qualify them as a typically unemployed? Some 60 per cent of them are unable to have any savings. The moment they are unemployed they have nothing to [illegible]rlook forward to, nothing to fall back on, except the benefits to which they have contributed.

I stress that because the government does not seem to understand that these people who are going on the unemployment list are actually coming from employment.

Yet the minister says that that is not the whole picture. She says that they have to make sure that people find it tougher to leave a job. That is okay. Nobody wants to leave a job unless they are going to go to a better job. If they leave frivolously, without justification, yes I think everybody accepts that there should be some penalties.

Well, take a look at some of the penalties that are imposed. The penalties initially were from one to six weeks; now they are going from seven to twelve weeks. If you want to punish somebody you give them the maximum penalty. The average penalty is now 2.2 weeks. If you want to raise it, do so. Do not automatically go ahead and impose a six-week penalty because somebody leaves a job. You do not automatically impose a penalty on everybody just because a few people abuse the system.

I know the government has a particular disposition, a neo-conservative view of the world. I do not share it, quite frankly. I know many members on both sides of the House do not share it either. It is too easy to engage in partisan political rhetoric, and I am not going to do that. I am not going to do that at all.

Some Hon. Members: Oh, oh!

Mr. Volpe: I do not want to wake up all the Rip Van Winkles on the other side of the House. If I did that, though, some of them might start paying attention. If we are to be talking about people who are to profit in any way from an unemployment insurance system, then it should only be those people who contribute to it. Even those people who suggested that the government is headed in the right direction maintain that the government has no right, as a result of this bill, to make any regulations regarding unemployment insurance because it is no longer a partner. It no longer pays into the system.

The parliamentary secretary and some of the members of the committee from his side were saying: "Oh, well you know the government is a major employer. We contribute a lot to unemployment insurance because we are an employer". There are 13 million employed Canadians, and the government according to the minister's own figures before the committee employs something like 225,000. I do not know if 225,000 out of 13 million employees qualifies the government as a contributor to a program. It certainly does not have any status that is different from anybody else.

Certainly, if it is not to contribute to a program it should not make any rules, least of all, those rules which will deprive contributors of an opportunity to maintain an insurance scheme. Maybe that is the government's agenda all along. Withdraw from the program, remove $2.9 billion last year from the program, allow the program to function on the basis of premiums now raised by 14 per cent, paid by employees and employers, and then let them thrash it out.

Those of us who know anything about negotiations and labour contracts know quite well that what is to happen at the next round of negotiations, or when the employee goes before the employer for a job where there is no organized labour, there will be factored in the additional employer costs in premiums. The person who is going to bear the full brunt of—the minister perhaps in a Freudian slip let it out—this increased tax is to be the employee and the employee alone.

The business groups that appeared before the committee—and the parliamentary secretary will bear this out—upon questioning responded that yes unemployment insurance premiums incurred by employers is considered a business cost and therefore subject to the usual deductions from income tax and other kinds of taxes from the government. There are no such loopholes for the employees who find that their wage demands and wage requisites are going to be reduced because employers find that they will be even less competitive.

• (1220)

I do not know where the government is going when it says that it will consult with everybody in the private sector, including institutions that are engaged in training, organized labour, and including of course industry.

There are a few members of the committee here and they will bear me out. I know that they will not say that this is an exaggeration; nor will they say that this is an understatement of the truth. Witnesses who appeared before the committee came from large corporations, chambers of commerce, industrial groups, organized labour groups, and women groups. Upon questioning, not one of them said "yes, we have been consulted; yes,

we have been invited to sit down in consultation with the department".

Who is this government talking to? Where is it getting its facts? Where is it getting the rationale? Where is it getting the foundations for the kinds of initiatives that it wants to present? Well, it cannot be from Statistics Canada because if we read StatsCan figures they cause any Canadian who was willing for one brief moment to be critical to shudder. The minister's glowing allegations of greatness that will befall this country as a result of Bill C-21 certainly are not borne out by the statistics.

I just want to draw your attention, for example, to an item by a renowned economist. I know that there are varying economic views but according to this economist, reported in *The Toronto Star*, October 2, 1989, the only way that we can eliminate unemployment is to develop growth and growth, not wages, is the key to cutting unemployment.

Why does he say that? I suppose these people must have gone to the same economic think tanks, certainly not attended by any of the government members or by the departmental members it would appear. There is another report which comes from the department itself. I cannot believe that it is giving out information that actually contradicts what you want to say. We have seen one little shell game after another. Now some truth comes out.

There was a headline in the *The Globe and Mail* of October 30, 1989, "Cheap Labour, A Costly Social Strait-jacket". Let us keep that in mind because it appears that the government wants to create a cheap labour pool.

The article states: "The myth about cheap labour is that it is necessary for the economy to function. The fact is cheap labour is not cheap. The Canadian labour force survey done by StatsCanada in 1986 shows clearly that the higher the degree of various forms of social assistance, the higher the rate of unemployment and the higher the level of government expenditure".

According to that same survey, workers earning less than $6 an hour were unemployed for an average of three weeks a year. I quote further: "Although they constitute half of the unemployed labour force, the under $10 an hour worker accounted for 85 per cent of the money spent on unemployment".

This particular bill attacks precisely those who earn in that 85 per cent category, that is under $10 an hour. They are not the ones who are carrying the country so to speak. They are not the ones who are hoarding vast sums of money. They are not the ones who are plundering the Treasury. The real cost for labour under $6 an hour, according to this article, is actually between $7.50 and $8.50 an hour when the taxpayer's contribution is counted in.

What is instructive as well for the parliamentary secretary and the minister is that from 1981 to 1986 more jobs were created in the category of about $5.50 an hour and below this wage category than all other categories combined.

The Prime Minister and all his other ministers stand before this House and say 57,000 jobs were created in B.C. last month. They forget about all the net losses in the other provinces. They say 189,000 jobs were created this year as of the end of September, in the first three-quarters. It sounds fabulous.

There were 348,000 created last year before the free trade agreement was signed, an agreement that was supposed to bring untold wealth. If increased employment is an indication of untold wealth, I ask the parliamentary secretary opposite to take out his calculator and take a look at what happens to that 189,000 when I add one more quarter to it. If I am very, very generous and add another 70,000, there are still well over 100,000 fewer jobs created for this first post FTA year than in the pre FTA year.

Where did all those jobs go? The Prime Minister says: "Well they are all full-time jobs". That is great. Where are they? They are in the low end of the earning capacity. People are being compelled to take jobs that will give them a bare minimum for sustenance.

I want to go on a little further. The problem that we have in Canada according to this economist is that Canada has had by far the fastest growing labour force in the industrialized world because of the growth and because of the continued availability of cheap labour. I say that cheap labour is going to be increased drastically and dramatically as a result of this bill, this pernicious bill that does nothing to develop the population, does nothing to develop the labour potential of Canadians, and does nothing to extract from the talents and the energies of the dynamics of our population. It does

instead put more people at the mercy of those whose abilities to engage in a competitive economic environment. It does not take into consideration the new technological realities of the world.

It says here that Canadian investment per new worker has been the lowest among Organization for Economic Co-operation in Developing countries over the past two decades. Is it little wonder that we speak often in this House about the lack of competitiveness of our industries when our government refuses to do what is the absolute obvious to anybody who thinks or anybody who does not even think but sees the obvious? No, not to this government. Low investment means low productivity increases in the long term, and Canada is at the very back of the line.

I was so offended as a Canadian—and it sounds a little schmaltzy but I know that my friend opposite from Winnipeg shares this view—that we as Canadians could be at the back of the line in anything, especially when it comes to economic matters.

I know that there are members on the government side who trumpet the great entrepreneurial energies of Canadians. Yet we are able to read something like this, criticism from one of our own. The supply of cheap labour breeds dependency on it to the point where modernization becomes an impossible hurdle.

Those of us who have at least a small understanding of history will refer to the decline of all kinds of civilizations where the pool of cheap labour—dare I say slave labour—contributed to the total collapse of the civilization. We do not want that for our own country, nor should we. In fact one of the problems that we have is that not only do we have cheap labour; we have mismatches of jobs.

I do not know whether the minister or her department looked at some of the things that average people on the streets see on a day to day basis. Instead, they point to the unemployment rate in the country, 7.3 per cent and therefore dropping. I will come to that in a moment.

• (1230)

Not only am I applauding the members opposite, I think it is also a point that bears reflection because there is inherent criticism in it. Members opposite say: "That is it, nationally, but what about that nasty place, southern Ontario, or that place that is the centre of nastiness, Toronto, where the unemployment rate is only 3.4 per cent? That means the country is doing well. So what about those nasty people who actually rely on the unemployment insurance fund?" Remember that is a fund into which people paid into. It is not one that somebody else is paying into on their behalf. All my insurance broker friends on both sides of the House will say: "If you pay premiums then you engage as a participant in the fund and, therefore, you have a right of access to that fund in time of need".

The unemployment rate in Toronto is 3.4 per cent. That is great. Three point four per cent unemployment in Toronto represents some 70,000 men and women who are out of work. In fact, with all due deference to my colleagues from New Brunswick, that is twice as many people as are unemployed in all of New Brunswick. Yet Bill C-21 is going to penalize everybody in the Toronto area who is so unfortunate as to not find a job. There are lots of jobs available in Toronto. We can look in the newspaper any day. Do you know what they are like, Mr. Speaker? Almost every restaurant, retail outlet and convenience store, it seems, have help wanted signs in the window. In my riding of Eglinton—Lawrence every store has a "help wanted" sign. What they do not say is what you will be paid for your labour.

But God help you, Mr. Speaker, if you happen to be one of the individuals that the hon. parliamentary secretary is so fond of reading about from a list. God help you if you happen to be an unemployed mechanical engineer. You are not going to find a job. This is a country that requires specialization, it requires great training. If one reads the minister's own words, she says that in the next 10 years 50 per cent of all jobs—I think the figure is 55 per cent—are going to require five years or better of post-secondary schooling or training. Here we have a mechanical engineer who has at least that and cannot find a job because the market is not prepared. In Toronto this man cannot find a job; not because he is not looking, not because he is not trained, not because he does not have skills and not because he wants to go on unemployment insurance—heaven's no—it is because he happens to be a mechanical engineer in a soft market, because manufacturers are not tooling up, because entrepreneurs are not taking advantage of the new technologies that are required to make their industries

competitive, because many companies in the Toronto area, as well as across Canada, as those of us who read the daily papers know, are moving south.

Why are they doing that? Heaven forbid. It could not be because the government made it possible for them or encouraged that kind of activity by signing some sort of a document that suggests that it is going to be less competitive to be here in a restricted market, in a market that stretches over better than 5,000 kilometres. No, it could not possibly be that. We would engage in sarcasm if we said that. But the fact of the matter is that the cheap labour pool is making it very possible for entrepreneurs to exploit that kind of a market and avoid making the technological changes and innovations that they have to bring forward.

As an example, in Toronto in the last several weeks we saw a situation wherein the government has one policy in isolation of a whole series of others. Those of us who are familiar with the construction boom in Toronto over the course of the last few years will realize that one of the most severe problems in the Toronto market and the greater Toronto–southern Ontario market is the lack of skilled labour. The number of people who have been coming from Saskatchewan with skills in construction, carpentry, plumbing, electricity and bricklaying has not been enough to satisfy the great demands. As a result there have been unscrupulous entrepreneurs and brokers in the greater Toronto area and the southern Ontario area who have gone overseas to look for that kind of help. But now that the market is drying up, *ciao, baby*, we are sending you home. And there are 5,000 of them.

I want to say this in a language that some of those people understand. And maybe, because some of the government members are listening, we will have a copy for them in English as well.

[*English*]

These 5,000 workers who are being deported are (citizens) individuals whose productive abilities, dynamism and skilled training have proven to be advantageous to this country.

Many of them are victims of unscrupulous exploiters, the majority of them Canadians, with the tacit compliance of our government whose inaction allowed such illegal activity.

These workers came here as the "finished product" with no cost to our educational system, to our training programs or to our industry. Now this government acts with complete insensitivity to their worth, even in the face of recommendations by the Homebuilders Association which consider them an asset to this country.

[*English*]

Five thousand Portuguese workers have been exploited because they bring some very desperately needed skills to a segment of Ontario and then they are whisked away because they are no longer necessary in the estimation of the department. I do not know whether our minister, our departments, our government, are working in tandem or whether they are playing "I don't know what he's doing, I don't know what she's doing and I don't care".

How can we develop a labour strategy, a labour market for this country to meet the needs of this country outside of the parameters of a general immigration policy, a general industrial policy outside the parameters of a solid, long–term, well–thought–out research and development strategy?

Let me go to that for a second because in terms of research and development we certainly do not, as a country, have much to boast about. In fact, I have commissioned a little bit of research myself. We have taken a look at research and development among several of the nations of greater industrial import throughout the world; Canada, the U.S., the United Kingdom, West Germany, Australia and Japan. Do you know where Canada sits in terms of research and development? Dead last.

In terms of percentage change in government inputs—now this is the government contribution, this is government initiative in research and development into developing not only a labour market but an industrial sector, an economic environment, an entrepreneurial sector that is going to take complete and total advantage not only of the market possibilities but also the global dynamics and the needs for technological innovation—what does our government do by way of showing leadership? I do not know if leadership is a dirty word on the other side of the House. It would certainly would appear

that it is because, as an example, in 1986 there was a net reduction of 2 per cent, in 1987 there was a further reduction of 3 per cent in research and development, in 1988 there was a further reduction of 5 per cent in research and development and in 1989 there is an estimated 3 per cent reduction in research and development. How does a nation develop a market-place and labour to fit into that market-place if it does not have any commitment or any financial input into research and development or if that research and development goes on a decreasing plane year by year?

I do not know how we can sit here and listen to the exhortations of the minister that Bill C-21 is going to be the solution to all of the economic woes of Canada. It is not going to be anything like that, Mr. Speaker. In fact it is going to give the government an opportunity to cut $2.9 billion from the deficit, which is all it is interested in, and it is going to do it on the backs of those people who have been honestly, sincerely and devotedly contributing to an unemployment insurance scheme that they thought was going to protect them against the vagaries of the market-place.

• (1240)

I take a look at what other countries such as West Germany are doing. West Germany most people think is a lighthouse in terms of technological innovation. I know that my hon. colleague, the parliamentary secretary, who is fond of looking at all kinds of examples, will relish this one. In that same period in 1986 the West German Government input into research and development went up by 3 per cent. It went up by a further 5 per cent in 1987, a further 6 per cent in 1988 and a further 5 per cent projected for 1989.

We are going to be a competitive country when others are deliberately establishing an economic strategy, an industrial policy and a labour policy. We are going to sit back and snip, snip, cut, cut because the deficit is the only problem the world has. It is a problem, and I sincerely would wish to have an opportunity to cut it away, as much as the government if not more. But if we are going to curb growth how do we expect to generate revenues to pay off the deficit let alone the public debt?

Let us look at a smaller country, Italy. Italy is the cradle of civilization for some of us. Most of us think that, well it is in the Group of 7, but it is a poor cousin. What did Italy do? In 1986 it increased research and development funds by 4 per cent while we were already dropping that funding by 2 per cent. We are in last place so we have nowhere else to go but up. But if we cut, we get up faster, right? What did Italy do in 1987? It only raised it another 4 per cent. What did it do in 1988? The snipping disease must have caught Italy too because it dropped to an increase of 3 per cent. It learned by its mistakes, it appears, because in 1989, the government says in order to encourage greater productivity and competitiveness among our industries and in order to engage in productive labour development, creation of job and employment opportunities, do we have to put in more money because there is a greater return. You invest and you can expect some sort of return on your capital. Italy went up by 6 per cent over and above what it spent in 1988. That is at a time when we were dropping by 3 per cent. Remember, we were in last place. So what now?

I do not know how Canadians can brook this kind of misdirection—I do not want to say inaction, but misdirection on the part of this country when it comes to developing an economic environment productive for all Canadians. I just cannot understand that.

What happens? You can look at some of the statistics. We are trying to develop an intelligentia, people who are able to meet the immediate changes; PhDs, MAs in engineering, in research, in mathematics and computers. In 1988 we show a net drop of people who are involved in engineering, just a modicum of a rise in medicine, a dramatic drop in mathematics, and a dramatic drop in computers. These are the areas where, if we are going to show some leadership, we have to start developing personnel who are willing and able to enter those fields. But we are not doing that. It might be bad enough that the government does not engage in any serious education of its population, that the government does not engage in any stimulation and development of technological innovation, but when there is a decline in our export markets as a result of our uncompetitiveness, then we have to point the finger to where it properly belongs—at government misdirection.

Let us take a look at Canadian market shares of major export markets. We seem to be hanging our hat completely on the U.S. market. In 1988 it accounted for 73.1 per cent of all our exports. We probably could not compete with the Japanese because they are responsible for about 6.3 per cent of our exports. The U.K. is responsible for 2.6 per cent; China, 1.9 per cent; West Germany, 1.3 per cent, virtually all of them in resource-based industries, not in manufacturing or consumer goods.

The merchandise trade balance, which will be a reflection of our competitiveness, which will be a reflection of the government's ability to indicate and establish an economic environment that is good for all Canadians both on an industrial and an unemployment side, has been dropping steadily with respect to the United States, so much so that in 1988, as a comparison with 1985, we have dropped a grand total of 5 per cent.

Compared with Japan we have been collapsing steadily. Compared with the U.K. we have made absolutely no progress. There is a negative drop of 1.1 per cent. China is the only major economic environment with which we have any kind of positive growth, 1.6 per cent growth. Compared with West Germany we have dropped our share of the market by –2 per cent. Those kinds of facts tell us quite frankly that we are not going anywhere and we are going there fast. Let us talk in terms of developing language, which most of these countries recognize is important to preparing not only their labour market but also their managerial class, because this is becoming increasingly a global market-place both for labour and industry.

Canada in terms of gross expenditures on all official government programs—and keep in mind that much of this is in the official languages sector—contributes a paltry $7 million. The United States contributes $170 million.

Keep in mind that their market-place is only 10 times the size of ours. Their contribution should have been somewhere around $70 million, but no, it is $170 million. The Americans, despite the downturn in their economy, their loss of position all over the world in terms of progressiveness, are at least capable of understanding. In terms of language perhaps they increased the competitiveness of their peoples.

West Germany contributed $39.2 million. Australia, a smaller country than our own, yet it appears more competitive, spent $12.4 million on languages. Japan, a great monolithic, hegemonic nation which does not have all of the opportunities that our own country provides us with, a multicultural fabric, spent $96.2 million. Where does Canada sit? In last place.

I am absolutely ashamed that our government would not recognize that Canadians have to be provided with the opportunity and the leadership to be able to take their role and their proper position in this world.

Let us take a look at education, for example, in terms of percentage change in government inputs. I know what the members opposite are going to say right now: "Oh well, education, that's not our business, that's provincial stuff and in fact we can't do anything about it". With the same breath the government turns around and says that with this bill it is going to take some moneys from premiums. It is going to tax people and, on a national basis, establish training programs.

Okay, we are going to establish training programs. We like that. With whom? " Oh well, that is not our business. We have to defer it to the appropriate provincial authorities. They have to take a look at what is available and what is not available and we just buy into the programs".

I cannot believe that this passes for serious government policy. I cannot believe that at a time when most other nations in the world are taking an initiative on a national basis to educate the public, to educate the entrepreneurial class, their managerial class, Canada sits down and says: "Well, you know, I have to wash my hands of this, that is really not my job. That is not in my jurisdiction. We don't have any money". I cannot believe that that passes for political and juridical leadership.

In terms of government inputs in education Canada, since 1986, decreased by 4 per cent. In 1987 there was a further decrease of 3 per cent. In 1988 a further decrease of 3 per cent. For 1989 we establish consistency without all doubt; there is a further decrease of 3 per cent, absolutely incredible.

• (1250)

This is the same government that says it is going to engage in a new training program and establish a training ethic because Canadians spend half as much as their American counterpart. Is it the industries that spend half as much or is the government? Let us take a look. What does the government do in the United States? This is the symbol and role model for our great leaders opposite.

The United States dropped 3 per cent in 1986 and had a further drop of 2 per cent in 1987. But the Americans changed their ways in 1988 and actually increased it by 1 per cent and then collapsed into the same Canadian disease of further decrease in education, in long-term investment in this country and in its people by 3 per cent.

Let us take a look at what our less progressive cousins world-wide are doing. It is important to keep in mind the unwashed masses overseas. They do not know anything, right? They cannot understand the value of education because we have a monopoly on it. That is why we can afford to cut.

In 1986 Italy increased government inputs by 6 per cent. It made a further increase of 5 per cent in 1987 because that was not enough, and then in 1988 it increased inputs by a further 6 per cent. In 1989, discovering the merits of increases in education for long-term development, Italy increased it by a further 8 per cent. Little wonder that poor little Italy is moving up the ranking in the Group of Seven. It is now pushing for number 4; it used to be below Canada.

It seems that the Australians are at least as astute because in 1986 government inputs in education went up by 7 per cent. They increased it to 10 per cent. Those guys know what they are doing; 10 per cent in 1987, 4 per cent in 1988, and a further 6 per cent in 1989.

Where are we in Canada? Refresh your memory. There is a steady, continuous decrease year by year of on average three and one-quarter per cent. We are not headed down the road of salvation. We are not headed down the road of deficit reduction. We are not going to be able to generate the kind of growth that is required to decrease the public debt, to cut back on programs that have been the lifeblood of sustenance, of social programs made necessary by government and mismanagement. We are not going to be able to do that if we keep having a myopic view of where the government and this country ought to be heading.

I do not want to offend some of the members here about retraining programs, but we are going to talk about that at great length in a few minutes. The combined private sector-public sector input over the course of the last five years in retraining programs in Canada has been an increase of 2 per cent in 1986, 3 per cent in 1987, 5 per cent in 1988, and 2 per cent in 1989.

In 1986 Australia saw an increase of 7 per cent; in 1987, 12 per cent; a further increase of 9 per cent, in 1988; and in 1989 there was a further increase of 12 per cent.

I know that the members opposite are very interested. I could go ahead and read some of the figures for Taiwan, Japan, Italy, West Germany, even for Great Britain, which by the way, I am told, can no longer can be called Great Britain because of the economic mismanagement of its current leader, a leader who felt that she had to come here and tell all Canadians in an admonishing tone that they had nothing to fear from the free trade agreement, that we would be able to maintain our identity, and that we would be foolish to overlook this opportunity to engage in a great big market-place. She told us all at election time: "You have to vote Conservative if you want to secure". Secure what, complete mismanagement?

That is the same Prime Minister who is now balking at everything that is going on in Europe. "No, no, no, we can't lose our own identity. Oh, we cannot lose control over our own economic destiny", even though all intelligent peoples in Europe are saying: "We have nothing to be afraid of, business is business and good business makes better business for everybody. We are going to engage in productive programs".

What does Canada do? It does not even follow the example of a country like Britain whose government is repeatedly and continuously viewed as being at least socially regressive if not economically backward. They have slipped from third in ranking in the Group of Seven down to fourth, to fifth, to sixth and, if it were not for us, for Pete's sake, they would be down at the bottom.

This sort of thing may not be of great interest to members opposite who have already made their mind up that Bill C–21 is the best thing since sliced bread. They are going to be able to go back to their business buddies and say: "Do you know what we did for you? We went snip, snip, and cut away $2.9 billion from our deficit. We are no longer going to help the unemployed. We do not have to worry about them. They are not going to be able to come to us and live off the fat of the land. They are going to have to take your jobs at your rate of pay."

What is that rate of pay, pardon me again? Was it higher? No, that is not what I heard. It goes down below $5.50 an hour. In fact most of the jobs being created are at this rate of pay, which rate of pay reduces the amount of revenue available for this government. It reduces the abilities of entrepreneurs and industries to retool and engage in investments and technologies that will make them more competitive, more productive, and much more aggressive in the world economy.

We are going to do that because we have a myopic view of the world, because we have short–term visions, we have no vision on the economy, no vision on industrial strategy, none whatsoever on labour development, on sectorial development, on regional development. We are going to say to all our fellow Canadians who live in some of those areas where the long reach of absent industrial strategy is still making many people dependent on social programs that they would otherwise reject and reject willingly: "We no longer want you to be able to profit from a program into which you make a contribution. We want you to move, to go where the jobs are."

Where are they? They are not in Newfoundland, they are not in the other maritime provinces, and they are certainly not in Quebec. In the last quarter of last year and the first three quarters of this year Quebec experienced a net job loss: 11,000 fewer people employed in Quebec over the last three quarters than in previous times. Where are these jobs being created? The government is going to make available under this bill $15 million for relocation, $15 million so we can depopulate Atlantic Canada, so that we can depopulate northern Quebec.

Those who were with the committee in Jonquière in northern Quebec would have heard that many of those residents were saying that they were going to be forced if this bill goes through to leave the place where they have established a stable, secure, social, cultural, economic environment.

They are going to move to Toronto. Let's all go to Toronto. Great place. The average price of a new single family detached home in my city of North York in metropolitan Toronto is a shameful $832,000. The average price of a resale home last month in Toronto was $272,000. You would require a 25 per cent down payment just to qualify for this, and then you would have to qualify for the mortgage payments. How can somebody who has been on unemployment in maritime Canada possibly qualify for that? Where are we going to put them?

I know, Mr. Speaker, that we are pressing one o'clock and you will want to hear the rest of my dissertation. Perhaps I can finish after the House resumes.

Mr. Deputy Speaker: On a point of order, the hon. member for Burlington.

Mr. Kempling: Mr. Speaker, there have been discussions, I understand, among the parties and there is an agreement that after the normal first rotation of speakers the second rotation will have ten minutes to speak and five minutes of questioning.

We have agreed to forgo occasional speakers to allow the opposition to present more speakers to the House.

Mr. Gauthier: We are in agreement, Mr. Speaker.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

ATLANTIC PROVINCES ECONOMIC COUNCIL

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, there is some good news coming out of New Brunswick that I would like to bring to the attention of the House. APEC, the Atlantic Provinces Economic Council, released its quarterly report on Monday and the news is good. Investment in New Brunswick rose by

20 per cent last year and will undoubtedly exceed 20 per cent this year.

Let's look at some facts. Unemployment has fallen by 8,000 since we took office. In percentage terms, unemployment was at 16 per cent when we took office and is now at 12 per cent, a reduction of 4 per cent. Exports are up, farm cash receipts are up. Private sector construction is up, manufacturing shipments are up. Much to the chagrin of our Opposition, things are looking good in New Brunswick and under this government will continue to be good.

* * *

[*Translation*]

HAITIAN POLITICAL REFUGEES

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, two days ago, I received a delegation from the Viau ethnic groups centre headed by Rev. Charles Martin in my riding office. They protested the lifting of the moratorium on Haitian political refugees.

We do not really understand how the Conservative Government can claim that the situation in Haiti has returned to normal and how it can now expel anyone it thinks is no longer welcome in Canada, without endangering these people who are fighting for democracy and freedom.

Right after the coup d'état which brought him to power, General April promised to restore democracy with no turning back. Today, many Haitians instead fear that he will rule as an iron-handed dictator and they certainly expect the Canadian Government to understand the situation better.

[*English*]

Mr. Speaker: The Chair has noticed the very beautiful bouquets that are on the desks of some hon. members and while I would be the last one to remove beauty from this Chamber, I must remind hon. members that it probably breaches the guidelines which we have set for ourselves on using other items to make demonstrations, and I would ask hon. members to co-operate.

[*Translation*]

REGIONAL INDUSTRIAL DEVELOPMENT

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, for the sixth year in a row, I wish to thank the Témiscamingue Economic Development Corporation for organizing its "Météoritem" gala.

I would like to point out the remarkable work and leadership of the companies that received very special mention: in the agri-food sector, G.M.S. fish products of Laniel, distributor of the famous whitefish caviar; in the tourism sector, the Truck Rodeo of Notre-Dame du Nord; in the manufacturing sector, Marik Concrete of Ville-Marie and Témiscamingue; in trade and services, the Vivacolor Photo Studio of Ville-Marie; businesses of the year, all categories: Témisko of Notre-Dame du Nord and Cardinal Forestry Equipment of Angliers. Finally, the entrepreneurs of the year in my region: Guylain Paquin, owner of Châlain Farm in Saint-Bruno de Guigues, and Joachim Robitaille, president and CEO of Dolo-Mine in Saint-Bruno de Guigues.

Congratulations to all these companies whose determination and dynamism contribute to the economic development of our beautiful Témiscamingue region.

* * *

[*English*]

VIA RAIL

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, it was the Minister of Finance and his department who did the studies on VIA Rail in preparation for the last budget.

Where was the Minister of Transport and his department? It was the Minister of Transport and two other people in the department who knew nothing about the environment who did the environmental study. Where was the Minister and the Department of the Environment? Doesn't anybody in the government do their own job?

A great Canadian, Doctor Suzuki, said the VIA Rail decision is being justified by an environmental assessment, but such analyses have almost no scientific value. It is clear the study was done in a hurry to satisfy the minister's political agenda. The VIA Rail decision must

be considered in terms of the message it is delivering. We are in a period when scientists are urging a cut-back in emissions in a massive way so society will be weaned off the use of cars. Truer words were never spoken.

* * *

LABOUR FORCE DEVELOPMENT STUDY

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, all members of the House will know that the job-creation record of our government stands second to none. Yet as we move forward, Canada's future economic growth and development will increasingly depend on a highly skilled and flexible labour force. In a fast-changing, restructuring workplace, we as a society must be willing to make a sufficient investment in our human resources to adequately meet and accommodate the demands of the economic and technological change.

Our government, in its leadership capacity, must demonstrate both a willingness and a will to address the potential divergence between the flexibility and skills of our workers and the skills that our economy will demand.

The initiation of the Labour Force Development Strategy, I believe, strongly demonstrates that leadership and signals our commitment in this respect. Coupled with complimentary measures to maintain an economic safety net, this is both a necessary and smart investment that I believe will help successfully propel our great country into the 21st century.

* * *

AIR CANADA

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, the privatization of Air Canada will adversely affect the lives of many dedicated Air Canada employees. At Windsor airport alone 32 families will suffer the ill effects of privatization. They have been notified that their employment will be severed with Air Canada or be transferred to another city.

At the same time Air Ontario, which is an integral part of Air Canada and Air Service in the Windsor area, will be hiring new people to fill these jobs, the same jobs. This is a blatant example of an unfair and uncaring attitude of this government as it continues its rampage of privatizing Canadian institutions. Thirty-two families in the Windsor area must now decide to uproot and move or lose their jobs, although Air Ontario will hire people to do the same work. The displaced and experienced Air Canada employees were not given the option of employment with Air Ontario in their home community.

This is a tragedy not only for the employees, but for the customers of Windsor and the nine other airports subjected to this inhumane treatment.

* * *

CANADIAN STUDENT LEADERSHIP CONFERENCE

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Canadian students are preparing for the future. The need for leadership is being stressed and recognized. Discussions on issues of national interest, understanding, bilingual programming and participation of francophones, commitment and direct action to protect our environment and concern for the disadvantaged were the features of a four day Canadian student leadership conference last weekend at John Rennie High School in my riding of Lachine—Lac-Saint-Louis.

With tremendous help from community leaders, volunteers and counsellors, this fifth congress attracted several hundred delegates from across the country, many of them from ridings that are represented here, to share ideas, make friends and develop their leadership skills.

From personal observation, I can as sure the members of this House that the future of Canada will be in good hands.

* * *

ATLANTIC CANADA

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I rise today to call the attention of this House to yet another example of discrimination of this government toward Atlantic Canada. I am referring to the Northern and Isolated Areas Task Force Report which was made public last Friday.

Taxpayers in hundreds of small communities across Canada, including my riding of Cape Breton Highlands—Canso, are threatened with the loss of existing tax benefits if the government accepts the recommendations of this report.

Atlantic Canada has been punished too much already. We cannot tolerate another blow to our rural ridings. I give the example of Canso, Nova Scotia, which is at this time faced with possible closure of its fish processing plant. The task force recommends that Canso be dropped from the list to qualify for this tax deduction.

Rural ridings are not the ones which should pay the price of a mismanagement of this government. They should be on the top of the list for benefits, not removed and forgotten.

HOUSING

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I want to draw the attention of this House to the government's record on co-operative housing. In 1986 the government made a commitment to fund 5,000 co-operative housing units a year. Yet in 1986 they funded only 2,900; in 1987, 3,800; and in 1988, 3,100. Now, in this year, they are funding only 1,700, one-third of the promise of 1986.

Today the minister made an announcement that gave no indication that this government was abandoning its attack on co-operative housing. Instead, the many struggling co-op housing resource industries which are desperately trying to keep afloat following federal government cut-backs have been given larger project advances for start-up funds. These advances will have to be repaid in full. This will not build one additional co-op housing unit. People in need of homes want a substantial housing policy. Instead, they get smoke and mirrors. When will the government live up to its commitments on co-operative housing?

* * *

• (1410)

[*Translation*]

COMMUNITY ORGANIZATIONS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I would like to mention that last Monday was dedicated to of community organization involvement and promotion in Québec.

About 67 organizations in my riding told me about their shortage of funds and the lack of recognition for their role as social intervenors.

I therefore ask the Minister of Employment and Immigration (Mrs. McDougall) to consider the demands of community groups and help them obtain genuine recognition by introducing a satisfactory funding policy.

In this connection, enhance and hiring criteria for various federal employment programs should be drafted in terms of the needs of community-based organisations.

No country, Mr. Speaker, not even Canada, can do without the thousands of volunteer workers who are an invaluable resource for improving the quality of life of the neediest among us.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, the Canadian government is telling Canadians they do not understand the goods and services tax. Canadians are accused of being misinformed and naive in this respect.

[*English*]

I stand today to say that Canadians do understand. They understand that they have been deceived about this tax. Canadians are disappointed and they are diametrically opposed to what this government is doing.

The government said that the tax will be revenue neutral, visible and combined with provincial sales tax systems. The government shook the hands of Canadians before the election and has shaken their confidence today.

In my riding of Ottawa Centre alone over 2,500 people joined a coalition against the goods and services tax and said "no" to the 9 per cent, "no" to the 7 per cent, and are saying "no" to the goods and services tax.

When is this government going to start listening to Canadians and drop this tax?

* * *

ATLANTIC PROVINCES ECONOMIC COUNCIL

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, the Atlantic Provinces Economic Council released its quarterly report on Monday. It contains some welcome news about the state of the New Brunswick economy. APEC says that New Brunswick will have the strongest economy in Atlantic Canada in 1989 and into 1990 and will

match or exceed other provinces in terms of economic growth.

Investment in New Brunswick rose by 20 per cent last year and is now nearly twice the national average. Our optimistic outlook, the impact of ACOA, the frigate program, the free trade agreement and generous IRDAs have all contributed to this increased investment. These positive economic indicators have provided it with a solid base to encourage more economic growth. Much remains to be done and we need to build on the momentum created in the province over the last five years, but clearly New Brunswick is open for business once again.

* * *

CENTRAL AMERICA

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, events in Central America this week have cast a shadow over the peace process in the region. In El Salvador, the office of the National Union of Workers was bombed by the U.S. supported military, killing 12 and injuring 40. In Nicaragua, the continued disregard for the 19 month cease-fire by the U.S. backed Contras has left hundreds of Nicaraguan civilians dead and place the upcoming elections in jeopardy.

The government has announced its desire to join the Organization of American States and to play an influential role in the area. Unfortunately, empty rhetoric will not lead to peace in El Salvador and Nicaragua. When asked if Canada would act as an intermediary in the Nicaraguan conflict, the Prime Minister declared that as the "new kid on the block" he planned no action to assist the region. Are we peacemakers or are we idle bystanders?

Canada must involve itself in the peace process in an active and constructive way. While the Prime Minister is finding new clubs to join, people are dying in Central America. The time has come for the government to admit that the United States is a direct contributor to instability in the region.

* * *

NORTHERN TROLLERS ASSOCIATION

Mr. Stan Wilbee (Delta): Mr. Speaker, for many years the boundary between Alaska and British Columbia in Dixon Entrance has been in dispute, the latest evidence of these difficulties being the arrest of the Canadian troller inside our waters earlier this year by the U.S. coast guard.

In order to help prevent such incidents, the Northern Trollers Association has requested that Canada establish a navigational aid on Nunez Rock, one mile inside Canadian waters. This would clearly mark the rock to aid Canadian fishermen and mariners in an area noted for strong tides and inclement weather.

If the light beacon were to be equipped with automated devices, it would also provide badly needed weather reports for Canadian and American vessels alike. Most important, it would clearly establish Canadian sovereignty in this area to prevent a recurrence of last spring's incidents and thus ensure the freedom and safety of our Canadian fishermen.

* * *

RESEARCH AND DEVELOPMENT

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, the centres of excellence announcement made by the government show shamefully how little commitment it has to research and development. We are still miles behind the leading nations of the world. We are losing our competitive edge. Government has abandoned the social sciences and the humanities in this whole process. Not one single project has been funded. The social sciences and the humanities contribute to our quality of life, to productivity, to our competitiveness. There is no vision, no in-depth knowledge of what research and development can do for the nation.

[*Translation*]

Where is your vision? Where is the financial support for social sciences and the humanities? I ask you to reconsider your decision.

ORAL QUESTION PERIOD

[*English*]

MEMBER OF THE SENATE

Hon. Bob Kaplan (York Centre): Mr. Speaker, yesterday the ministers that we questioned in connection with the Cogger affairs all insisted that ministers of the Crown have no responsibility for the honesty, the probity or the proper functioning of their departments. They

insisted that the matters we were raising were matters for the Senate.

I want to ask the Minister of Energy about the very superficial inspection which he claims to have done of records of his department. He says there is no paper record showing any involvement of Senator Cogger. I want to ask on top of that whether he has done any checking to see if the senator made any oral representations in the department. Did he check with his predecessor, the present Minister of Communications, to see if representations were made to that minister in connection with it, or did Senator Cogger's close friend, the Prime Minister, or any members of the Prime Minister's Office make representations in connection with these projects?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member by that last reference does not add anything to the legitimacy of the first part of the question. I say that to him as colleagues who have been in this House for a long period of time.

I think it has to be said and should be said to the hon. member. I have gone back to the department again. I have asked whether there was any representation of any form by Senator Cogger in terms of the department in reference to the project in question. I have been advised that the department has no record of any verbal, oral or written representation from the Senator.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I will have to see the record, but I wonder whether the minister answered that there were no representations from the senator or on behalf of the senator by others from the Prime Minister's Office.

Let me point out that the statement made by Senator Michel Cogger yesterday is a very narrow statement in which he says:

> I have in no way intervened with anyone in the Department of Energy, Mines and Resources.

This Hydromega grant project is a very complicated project. Environment Canada and the Department of Transport were also required to approve of this project. I want to ask the main minister responsible for it if he has checked to ascertain whether those departments which provided their approval in an amazingly short period of time when this project was under active consideration received representations and whether he has investigated the situation in relation to them.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, with reference to any representation made from anyone in the Prime Minister's Office, that has also been checked. The answer to that is an unequivocal no, as I gave with respect to any advice we received in relation to Senator Cogger.

• (1420)

In terms of my predecessor, he has also been asked and the same answer applies there.

With respect to this project being "very quickly approved", it is a complicated project and it was not very quickly approved. If the member goes through the guidelines of application, he will see that on July 10, 1985, the concept proposal was submitted by Hydromega. You then go from July 10, 1985 to February 1988. Yesterday the innuendo was left that money "somehow was found to fund the project". The answer is very clearly there. The project was approved at that time with moneys that were approved by Parliament for this program, effective April 1, 1988.

Additionally, if the member looks at the project he will find that there was another innuendo by the member from Glengarry–Prescott–Russell that this was a large project and all the others were much smaller. Let me read some of the projects: Carleton University—

An Hon. Member: Table it.

Mr. Epp: I would love to table it—Emcon Enterprises $470; Hamilton Street Railways $635; Cristy Adams $343; Newfoundland Light and Power $436. Let us stay with the facts and not the innuendoes that you are so quick to throw across the House.

[*Translation*]

Mr. Kaplan: I would like to ask the Prime Minister a question about this matter, because there are several departments involved. Senator Cogger's statements have been contradicted by others. I would like to ask him whether, as he has done in the past, the Prime Minister brought the case to the attention of the RCMP.

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, as I said yesterday, this is a matter that concerns the other place. However, I have been informed that a request has been made to have the matter referred to a committee of the other place.

Furthermore, in the light of allegations made in the House and elsewhere, I can confirm to the House that this morning I was informed by the RCMP that it was now considering whether there was a case for conducting a formal investigation.

[*English*]

Ms. Mary Clancy (Halifax): Mr. Speaker, yesterday the Solicitor General and the Minister of Justice stated that the allegations against Senator Cogger should only be investigated by the other place.

My question is for the Prime Minister. Is it seriously the position of this government today that any and all matters relating to alleged improprieties by senators only be investigated by the senate?

An Hon. Member: He won't answer.

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, it is too bad the hon. member did not listen to the answer to the previous question. I made it very clear that in the light of allegations made here in the House and elsewhere, the RCMP informed me it was now looking at all the facts to see whether there was a case for conducting a formal investigation. Again, my answer was quite clear, and it is still the same answer, Mr. Speaker.

[*English*]

Ms. Clancy: Mr. Speaker, it is fortunate that we have the RCMP in this country so that they can press the cabinet into doing its job. I am still concerned about the way the cabinet looks at this. Thank heavens an investigation may be under way, wherever it started.

We are dealing here with allegations involving possible infractions of two Criminal Code sections. Given what the minister said yesterday, there is a lot of curiosity on this side of the House. Can the minister define for us which Criminal Code sections normally come under police authority and which ones he thinks belong only to the Senate?

An Hon. Member: That is out of order.

[*Translation*]

Mr. Blais: Mr. Speaker, it is not a minister's role to give legal opinions in this House. The RCMP is a police force that acts independently and conducts its own investigations. It is an honourable police force, and I think it should be allowed to conduct its investigation. It is not up to a minister to give the RCMP directives or legal opinions, Mr. Speaker.

[*English*]

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Energy. It pertains to Section 16 of the Parliament of Canada Act. I will just read part of it so the minister will know directly what I am asking about:

> No member of the Senate shall receive or agree to receive any compensation directly or indirectly for services rendered or to be rendered to any person either by the member or another person
>
> (b) for the purpose of influencing or attempting to influence any member of either House, that is to say, including a member of Parliament.

There is a report in the press today that Senator Cogger in fact arranged a meeting that included a couple of Conservative MPs, specifically the Member of Parliament for Châteauguay, for the purpose of influencing, so the story alleges, a decision ultimately to obtain funds from the Government of Canada.

The Minister has taken care to say that the senator in question did not contact the department at any time. He will agree that if he contacted a Member of Parliament with the purpose of trying to obtain influence and obtain a fee for that, he would be in violation of the statute I just quoted, the Parliament of Canada Act.

In exercising his responsibilities, has the minister ascertained whether that story in the press today is true or false?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, I have. Two points should be made. First, I understand that Senator Cogger has denied the allegations. I thought there was a tradition in this House that we do not question the word of members, and I think we should respect that.

Second, I asked the member whose name appears in the press today what the meeting and reference was about. I asked my departmental officials as well. There was no meeting relating to the department. There was no departmental official at any of the meetings referred to in the press. The meeting that took place, as it was

referred to in the press, was between the principals involved and Hydromega.

Mr. Broadbent: Again the minister chose his words with care. The issue in the part of the act that I quoted is not whether the department officials were influenced. It is whether a member of Parliament was attempting to be influenced. If the senator does that, it is in clear violation of the act.

I would like to ask the minister to come clean with the House on that. Did he ask the members in question whether the subject under discussion at that meeting arranged by Senator Cogger concerned the money. That is the issue.

Mr. Epp: Mr. Speaker, I am choosing my words carefully because I want to be very accurate. I take it that the hon. member expects that of me and I expect that of him.

I asked the member in question and the description of the meeting that I referred to is accurate. It is exactly as he gave it to me.

The last point that I would make is this. So that there is no confusion or that people in the House say that I have not given the full details, members of Parliament, the questioner or anyone in this House, may make representations to a department as to when approval will be given to a project. I think we do that regularly as members of Parliament, asking for information about projects in our ridings as to the status or whether or not they will be approved.

• (1430)

Mr. Broadbent: Mr. Speaker, I have certainly drawn my conclusion from what the minister said because once again he did not deal with the issue. The issue is whether—and that is what would be the violation of the act—the senator obtained a fee for having a conversation with a Member of Parliament to try to influence that Member of Parliament in obtaining funds or a grant for the company in question. That was the issue at stake, and for the third time the minister failed to deal with that.

[*Translation*]

My last question is directed to the Prime Minsiter of Canada. Today, the *Gloge and Mail* reported a member of the Conservative Caucus as suggesting he was a participant in a conversation about a contract with the federal government, and that this conversation had been arranged by a senator. Is this process acceptable to the Prime Minister of Canada, yes or no?

[*English*]

Mr. Epp: Again, Mr. Speaker, the senator has denied that allegation. I referred to that denial earlier.

In my conversation with the Member of Parliament I received every denial that he was not involved in any of the allegations that are made, and Mr. Cogger has very categorically denied the allegations.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Prime Minister. It concerns the subject of double standards in the handling of this latest chapter of ongoing Tory cronyism, the Michel Cogger affair.

On January 20, 1987, in response to allegations of wrongdoing against then senator designate Jean Bazin, the Prime Minister said, and I quote from page 2449 of *Hansard*:

> —the same facts were brought to my attention and I immediately asked for a police investigation. And no one will receive special treatment in this respect: neither you nor I nor Mr. Bazin— The only way to see justice done is to ask the RCMP to conduct a complete and independent investigation.

My question is this. How long has the Prime Minister and this government been aware of possible wrongdoing in this particular case? Will he now tell the House that he will order a full RCMP investigation into these allegations?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I believe this question was already raised a few minutes ago. In the circumstances, in the light of the allegations that have been made, I can only repeat that the RCMP informed us this morning that it was checking all the facts to see whether there was a case for investigating the matter further. I think this is entirely normal in the circumstances, and it is not up to the Solicitor General or any other minister to interfere with the RCMP's work. We must let the RCMP do its job.

[*English*]

Mr. MacDonald (Dartmouth): Mr. Speaker, my supplementary question is for the Prime Minister.

Yesterday, the Solicitor General told us repeatedly that this was a matter for investigation and consideration by the other place. Since the Government Leader of the other place is a member of this cabinet, what instructions has Senator Murray been given on how to proceed with this matter in the other place? Where did these instructions originate—with the Solicitor General, with the Minister of Justice, or with Senator Cogger's close personal friend, the Prime Minister?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know why the display of emotion.

Mr. Fontana: We are happy to see you.

Mr. Mulroney: My hon. friend says he is happy to see me. I am happy to see you.

With regard to the question, my understanding is that the senator has denied the allegations that have been brought forward.

Second, he has asked for the Senate to constitute an appropriate investigation of his activities. I am informed by the Leader of the Government in the Senate that that will be acceded to.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is also for the Prime Minister. It concerns the operations of the Federal Business Development Bank.

In addition to issues raised earlier in the House today by my colleagues, there is now a report that Senator Michel Cogger, whose firm acts as counsel to the Federal Business Development Bank, lobbied the Federal Business Development Bank for a grant to the University of Sherbrooke, which has as a member of its board of directors none other than Senator Michel Cogger. The purpose of this grant was to purchase courses from Pleuricanaux Ltee., a firm half-owned by none other than Senator Cogger.

Given this series of incestuous relationships, will the Prime Minister now do the right thing and call for a full judicial commission of inquiry now?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, in July, 1987, the Federal Business Development Bank entered into an agreement with the University of Sherbrooke to develop a home study course which included audio-visual support. This was a new project as the bank was not then involved in the home study format.

The loan of $100,000 was made to the University of Sherbrooke from the Federal Business Development Bank. Part of the payment back from the University of Sherbrooke to the bank was by way of royalties. The Federal Business Development Bank received $120,000 in royalties, so that more than paid it off.

Pleuricanaux had previously successfully marketed a home study business management course for Tele—Université and Pleuricanaux did this on behalf of the University of Sherbrooke. It was a successful effort all the way around.

Mr. Boudria: Well, it sure was successful if your name was Michel Cogger. I want to ask a supplementary of the minister.

[*Translation*]

Mr. Speaker, my supplementary is directed to the Prime Minister and concerns another issue, Hydroméga.

Yesterday, the Hon. Member for Châteauguay admitted outside the House, to the media, that he himself had been lobbied by Senator Cogger. Considering the fact that shortly afterwards, the senator allegedly received $2,500 from the same company, my question to the Deputy Prime Minister is this: Isn't it time we ensured that section 16 of the Parliament of Canada Act is observed? Section 16 prohibits a member of the Senate from lobbying a member of the House of Commons for a fee.

Mr. Blais: Mr. Speaker, the law applies to everyone, and that is why this morning, the RCMP informed us it was looking at all the allegations made here in the House and elsewhere, to find out whether there was a case for pursuing the matter further.

It is not up to a minister of this Government to interpret the law or legal precedents in this case. It is up to the RCMP as an honourable police force to look at all the facts and make its decisions accordingly, Mr. Speaker.

[*English*]

Mr. John Brewin (Victoria): Mr. Speaker, my question is to the Solicitor General. One of the central issues before the House now is how the Solicitor General has carried out his responsibilities in this matter.

The Solicitor General has indicated, in his words, that he was informed by the RCMP 24 hours after this matter has been raised in the House. My question to the Solicitor General is: Did he take initiative and raise this with the RCMP? Or did he wait until the RCMP had launched its investigation before he informed this House of its actions?

[*Translation*]

Mr. Blais: Mr. Speaker, the Hon. Member's question concerns the RCMP. What is important in this country, Mr. Speaker, is to let this honourable police force do its job, without political interference.

Mr. Speaker, the RCMP has in fact informed me that it was reviewing all the facts in this connection. And I think that the freedom we enjoy in this country also means having a police force that operates without government interference.

[*English*]

Mr. Brewin: Mr. Speaker, it is very clear from the answer that the minister did not, in fact, ask the RCMP to do its duty in this respect.

Given the onerous other duties that the minister has been given by the Prime Minister in this case, perhaps it is not surprising he is not aware of his duty under Section 5 of the Royal Canadian Mounted Police Act. That act makes it very clear that the Commissioner of the RCMP is under the direction of the minister, and the minister is responsible to this House for its actions. Given that the minister with a great deal of fanfare last week declared this Crime Prevention Week, is this his idea of crime prevention?

[*Translation*]

Mr. Blais: Mr. Speaker, I was very clear in my previous answers. I informed the House that the RCMP had exercised its right to engage in an investigation and to look at the facts as it sees fit, whether or not at the request of the Solicitor General.

In the circumstances, I felt it was of the essence to announce, at the earliest opportunity, which was this afternoon, that the RCMP informed me this morning it had already started looking at all the facts, all the allegations made here in the House and elsewhere, to find out whether there was a case for pursuing the matter further. I think this is entirely normal in the circumstances, Mr. Speaker, and that this complies with the spirit and intent of the legislation.

• (1440)

[*English*]

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Minister of Energy who is being very careful in his choice of words today.

The Parliament of Canada Act prohibits a senator or MP from taking money for lobbying another senator or MP. The Minister of Energy today said: "Yes, but Senator Cogger did not lobby anybody in my department. I have checked. That has been confirmed".

Given that the Member for Châteauguay has told several reporters outside the House that that member and the then Member for LaSalle together attended a meeting with Hydromega officials, organized and at the request of Senator Cogger, and given that we know that Senator Cogger was paid $2,500 for lobbying those members to attend those meetings—that is the allegation—my question for the Minister of Energy is the following: Will he check the records, or has he checked the records, and can he tell us whether the member for Châteauguay met officials of his department? If the member for Châteauguay and the then Member for LaSalle met officials of his department, were they lobbying on behalf of Hydromega? In other words, were they fulfilling the request of Senator Cogger who has violated the Parliament of Canada Act?

Mr. Speaker: I have tried not to interrupt because, as I have said before—and I want not only members to hear this, I want the public to hear it—in this place there is not only a right to inquire on matters such as this, there is a duty. It is very important that allegations and accusations are not made unless there is a very serious basis for them. The Question Period in preambles is not the place to do it. I would ask the hon. member to be very careful. I think that the hon. minister is prepared to answer. But, clearly, that preamble goes a little too far.

Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, on the first point in respect to Senator Cogger, I repeat that he has denied the allegations. It has been said in this House today that he has asked for an appropriate committee of the other place to investigate the allegations that have been made.

I refer the hon. member to an earlier argument along very similar lines which was made in this House on May 12, 1983. The then Prime Minister, Mr. Trudeau, said this, and I quote: "I do know that the Senate and House of Commons Act"—which it was then called—"speaks for itself. The qualifications of a senator are clearly defined".

As to the latter part of the question, will the government be taking any initiatives, I believe it is for the Senate to determine any question relating to the status of its own members.

On the last point, yes, I have checked in the department, and I answered the Hon. Leader of the New Democratic Party as to whether there was any representation made by any member of the House of Commons, said to the House at the time, and I repeat it, the member called the department and asked when the funding would be approved. I say to the hon. member that he has done that in various projects for his own riding. I have done it. If there is any member in this House who has not done it, he or she is not fulfilling the responsibility and duty which that member was were elected to do.

Some Hon. Members: Hear, hear!

Mr. Tobin: Mr. Speaker, I certainly acknowledge the Speaker's advice and caution. The issue is not whether the member for Châteauguay, or the then member for LaSalle, or the Minister of Energy, or the member for Humber—St. Barbe—Baie Verte called a department in support of a community project. That is not the issue. I have no objection to the member for Chateauguay making 10 calls on behalf of a project for his constituents. What I have an objection to is if that call is made as a consequence of a request by another member of Parliament—

Some Hon. Members: Oh, oh!

Mr. Tobin: —a Senator or MP—if that occurred and if that individual was paid for putting that influence on a member.

So that it is perfectly clear, I want to ask the Minister of Energy whether or not he is prepared to inform the House now, if he has the information. And if he does not, at the first opportunity, precisely when—because it is public information as the minister just said—the member for Chateauguay and the then member for LaSalle made representations to the Department of Energy? Was it one day, one hour, two days or two hours after they attended that meeting with Hydromega officials, which in the words of the member for Chateauguay, was arranged by Senator Cogger?

Mr. Epp: Mr. Speaker, the hon. member confirms what I said, namely, that the member had every right and every responsibility to check on the status of projects in his riding, particularly this one relating to Hydromega.

With respect to the allegation that the hon. member just hurled across the floor again, namely, that the hon. member if and when he called the department, therefore by extension he naturally is acting relative to the allegations is something that is not sustainable and I suggest to the hon. member that the hon. member called as a member of Parliament. He should not make the allegation that he called only because of the statements related to the press.

Some Hon. Members: Hear, hear!

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is for the Solicitor General. It is on the same subject. There is a basic principle of law in Canada. It is that justice must not only be done but it must appear to be done.

In this particular case the perception is that Senator Cogger is being protected, that there is a double standard, one standard for the average Canadian and another standard for a friend of the Prime Minister.

I would like to ask the Solicitor General to carry out his responsibility and to direct the RCMP in an unequivocal fashion to conduct a full and complete investigation into all the allegations and, furthermore, to table that complete report in the House of Commons.

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, if my hon. friend believes in the basic principles of justice, under such principles we are not here before a court of law, and

people should not be convicted before there is a full investigation.

Some Hon. Members: Hear, hear.

Mr. Blais: Those are basic principles of Canadian justice and British justice.

Mr. Speaker, as I said earlier, the RCMP informed me that, in the light of the allegations inside and outside this House that were brought to its attention, it was reviewing the matter to see whether further investigation was warranted. I believe this is quite normal and proper for the RCMP, and it would be improper for me to interfere in the process by telling it what it should or should not do. I believe that in the interest of the basic principle of justice, I should let the RCMP do its job.

[*English*]

Mr. Nunziata: Mr. Speaker, what the Solicitor General is saying is that the RCMP is investigating in order to determine whether a full investigation is necessary. Of course a full investigation is necessary. If it were Joe Blow from Kokomo you would have a full investigation into these allegations.

The RCMP is looking into criminal activity. The Senate will be looking into the personal conduct of Senator Cogger. My question for the Prime Minister is this: Who will be looking into and investigating the conduct of his ministers and members of Parliament?

• (1450)

Would he not consider it appropriate in the circumstances to conduct a full investigation of conduct on the part of members of Parliament falling short of criminal activity?

[*Translation*]

Mr. Blais: Mr. Speaker, I think it is important again to stress that every Canadian citizen has a duty to respect the RCMP's integrity. If the hon. member has any factual information, not mere allegations, he has a responsibility as has every other Member of Parliament to go to the RCMP, state his information, and let the RCMP proceed with its investigation. That is the proper way under the basic principles of justice in Canada, Mr. Speaker.

[*English*]

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I would like to return to the Minister of Energy. His responses have been very carefully crafted. I want to seek some clarification from him.

In the minister's discussions with the hon. member for Châteauguay, did he identify whether the member of Parliament was doing, as others do, that is, lobby to encourage a particular financial support for a firm which is considering locating or expanding in his own constituency? The question is, did he determine from the member that Senator Cogger had lobbied that member to encourage the member to lobby on behalf of the firm from which he had indirectly received fees?

Mr. Speaker: The question may be a very interesting one, but it is getting dangerously into the ground, and I think it may well be in the ground, where if this line of questioning is pursued and was answered the hon. member in question would probably have a right to at least raise a question of privilege in this House. It puts me in some considerable difficulty.

Perhaps I could help the hon. member for Kamloops. The implication of the question seems to me that the minister is to make some comment about what the member did or did not do and that, it seems to me, is getting dangerously into the question of the privilege of a private member.

Mr. Riis: Mr. Speaker, the Minister of Energy indicated that he had had conversations with the hon. member. I am simply asking if, in those conversations, he asked the hon. member whether he had been encouraged by Senator Cogger to do this lobbying?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member said earlier that I was choosing my words carefully. I am. I am choosing my words carefully not because I am trying to hide anything, but because I have always thought that in this House we were very conscious of the rights of individuals and that we did not try to throw out allegations which the person did not have a chance or a right to defend himself or herself against. That is the way I thought this place functioned.

Second, I spoke to the hon. member, as I have said in the House today and I have asked my department as well. In everything that I have been advised about there has been no indication of any type that any moneys were

exchanged, that the project was not approved in a legitimate and approved manner, or that the hon. member received any benefit. That is the only issue to which I can refer member about the references that were in the public press today.

Mr. Riis: Mr. Speaker, I have a supplementary question.

It seems to me that the Minister of Energy, Mines and Resources is agreeing that it would appear now that Senator Cogger did lobby the hon. member for Châteauguay to lobby on behalf of the firm—

Some Hon. Members: Order!

Mr. Speaker: Given what I have said, and concerning myself particularly with respect to that question regarding the privilege of a member of this place, I am going to rule that question out at this time.

* * *

MEECH LAKE ACCORD

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, my question is for the Prime Minister. In light of last night's three statements by party leaders on the Meech Lake Accord, does the Prime Minister expect further developments before next week's First Ministers' Conference in Ottawa?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Opposition expresses surprise when a question that goes to the heart of the well-being of the nation is raised.

Some Hon. Members: Hear, hear!

Mr. Mulroney: It is 2.57 p.m., and this is the most important question that has been raised here today. I commend the member for raising it.

I want to commend the Leader of the Opposition and the Leader of the NDP for what I thought, if I may say so, were excellent speeches last evening defending the Meech Lake Accord, which is so important.

Some Hon. Members: Hear, hear!

Mr. Mulroney: If I may say so, mine was pretty good too.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I have had conversations and meetings with premiers. We hope to have a productive conference next week when the first ministers arrive. It is a conference on the economy. But there will be, as often is the case, constitutional matters discussed. We hope to work our way through some of the obstacles that presently exist.

My hon. friend asked if there was anything new. One thing that is new is a statement that appeared in this morning's *Le Devoir* by Mr. Chrétien, which states:

[*Translation*]

> Still in favour of granting Quebec a right of veto on constitutional amendments, as proposed by the former Trudeau Government, he sees no reason why this should be extended to every province.

He said, and I quote:

> I am not convinced that Prince Edward Island should be granted a right of veto.

There,

[*English*]

That is a very important statement by Mr. Chrétien, Mr. Speaker. He proposes, it would appear, to erect a two-tier kind of country where Quebec gets a veto, but Newfoundland does not; where Ontario gets a veto, but Manitoba does not. This is unacceptable. This is what the Meech Lake Accord was designed to correct.

* * *

ARTS AND CULTURE

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, like most nations' capital cities around the world which take pride and showcase their national cultural treasures, so too do we here in Ottawa through our museums of Civilization, Natural Science, Science and Technology, as well as the National Gallery and the National Arts Centre.

The Minister of Communications is accountable for, through this House, and in the name of Canadians, the well-being of these national treasures. Will the minister state here and now that he will respect the national mandate and ensure the survival of the National Arts Centre for all Canadians as a national showcase for dance.

Speaker's ruling

• (1500)

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the mandate of the National Arts Centre is well known. The budget was discussed in a parliamentary committee. I am quite aware that there is a labour conflict there, as there has been in many other places, and that labour conflict must be settled between the orchestra and the directors of the National Arts Centre.

[*English*]

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my question is to the same minister. We have a National Arts Centre that is starved financially and the response from the minister implies that its problems are not solely financial.

Rumours are rife that the minister is prepared to allow the National Arts Centre to become a regional rather than a national centre. The orchestra is at risk. Newspapers across this country have stated that the orchestra's demise would be a capital offence.

Will the minister move swiftly to bring the NAC from its knees to its feet and assure Canadians that this government is committed to the National Arts Centre as its national cultural institution?

[*Translation*]

Mr. Masse: Mr. Speaker, I do not think that the House of Commons is the place to comment on the rumours going around Ottawa.

* * *

[*English*]

POINT OF ORDER

STANDING ORDER 86(5)—SPEAKER'S RULING

Mr. Speaker: Before I call orders of the day, I have an important point of order to respond to raised by the hon. member for New Westminster—Burnaby on October 20 and again on October 26.

The member questioned the inclusion on the Notice Paper of two items which she argued appeared to be substantially the same as two other private members' bills now on the Order Paper, namely Bill C-261, standing in the name of the hon. member for York South—Weston, and Bill C-266, standing in the name of the hon. member for Lambton—Middlesex. These two bills were introduced and read a first time on September 27, 1989 and October 10, 1989 respectively.

[*Translation*]

The first of these is a bill introduced by the member for Scarborough-West (Mr. Wappel) on October 20. It is an Act to Amend the Criminal Code (Human Being). The second was introduced last Thursday, October 26, by the member for Glengarry—Prescott—Russell (Mr. Boudria); it is an Act to Amend the Criminal Code (Destruction of Foetus).

[*English*]

Standing Order 86(5) states:

> The Speaker shall be responsible for determining whether two or more items are so similar as to be substantially the same, in which case he or she shall so inform the Member or Members whose items were received last and the same shall be returned to the Member or Members without having appeared on the *Notice Paper*.

The hon. member is invoking this standing order to ask the Chair to use its discretionary power to keep these items from appearing on the Notice Paper.

When I say "to keep these items from appearing on the Notice Paper", I should point out that the hon. member has put the application forward on a perfectly logical and proper procedural motion and that is, of course, the only basis upon which I can respond. I want members and the public to know that the hon. member for New Westminster—Burnaby is raising a procedural point and she certainly has every right to raise it and to have it argued.

I have carefully considered the argument presented by the hon. member and have reviewed the items in question with equal care. I should say that in the view of the Chair, two or more items are substantially the same if, first, they have the same purpose and, second, they obtain their purpose by the same means.

Accordingly, there could be several bills addressing the same subject, but if they took a different approach to the issue the Chair would judge them to be sufficiently different so as not to be substantially the same.

In my view, that is exactly the case we have here.

It is clear that the two bills which have already been given first reading, and the other two bills introduced and now awaiting first reading treat the same subject matter. Hon. members will know, and the public should know, that the subject matter is the question of the unborn child and what the law ought to be with respect to that. On these grounds, they meet the first criteria for being substantially the same. However, on examination

of their contents, the Chair has concluded that there are sufficient differences as to how they sought to accomplish their purpose so that they could not be judged to be substantially the same.

This approach accords with the practice both before and after the introduction of this standing order in 1986. The intent of the new rule was to give members an opportunity to put before the House items of concern to them, but to prevent a multiplicity of identical bills being submitted in the draw for Private Members' Business. However, Standing Order 86(3) provides that any member prevented from submitting a bill because of a decision of the Chair can add his or her name as seconder to a bill already on notice on the Order Paper.

In the present case, the Chair has carefully examined the bills in question and finds that there are sufficient differences in their content to allow them to proceed. I would, therefore, allow the hon. member for Scarborough West and the hon. member for Glengarry—Prescott—Russell to move first reading of their respective bills.

I thank the hon. member for New Westminster—Burnaby for giving me the opportunity to clarify the position of the Chair with regard to Standing Order 86. Again, I stress that the point raised by the hon. member was a procedural one and one to which she was completely entitled to argue. I also want to say to the hon. member that because of the nature of the bills, the Chair most carefully examined the references to various sections of the Criminal Code, and I do want to say to her that those various references did help to persuade the Chair that the bill should go forward. I assure the hon. member that very considerable attention was given to the legitimate point of procedure which she has raised.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, this being Thursday, I would like to ask the government House leader to give us a statement of the business that the government intends to call for the coming week.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, tomorrow we are going to call first reading of Bill C-40, the broadcasting bill, followed up with Bill C-16, space agency bill, on Monday we will call the second day of the third reading debate on Bill C-21, on Tuesday there is a very good chance we will commence debate on the abortion bill.

GOVERNMENT ORDERS

[*Translation*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, be read the third time and passed.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, thank you for giving me the opportunity to speak on this very important bill.

As many members of this House might have noticed, today we had a demonstration from members of an organization of Canadians who are highly trained, who have had training, and could have well-paying jobs. They are protesting the thrust of this bill, not only for themselves as beneficiaries, as people who will lose a lot because of this bill, but also for all the other Canadians who do not have the opportunity or cannot come to Ottawa to protest strongly against this Government's bill.

• (1510)

With them, I join the protests of other groups like Action Chômage, like the one in Montreal which at the same time as we are debating is holding a press ocnference in Montreal to protest the actions of the Department and the Government. What we see here, Mr. Speaker, is confusion between the policies of the Department, that is, the bureaucracy and officials, and the

actions and statements of the Minister. The two are not working together in a way that all Canadians find valid and can accept. We have to know who is in charge, who is calling the shots for all these departmental projects, the officials or the Minister?

In a press clipping dates September 3, we see the Deputy Minister of Employment state the philosophy underlying this bill, and I will quote him in English since I do not have the French translation:

[*English*]

"The assumption which is rather fundamental for this bill that nobody's behaviour would be changed if you changed UI, whereas we assumed that if you make it necessary for someone to work 14 weeks instead of 12, people will make the extra effort and will work the extra two weeks in many cases where they have the opportunity".

I do not know where they are going to find these jobs. If the deputy minister says that by simply mandating that everyone must look for another job that they will find it, the only reaction we can ask on this side of the House is, who is running the show? Is it the department, or is it the minister who condones this kind of rationale, or does the minister herself believe this? I do not know how she can believe it, because when we take a look at the government's own statistics we can see the average duration of unemployment. The average duration of unemployment, after six years of unprecedented growth in this country, and we are going to accept the government rhetoric in this regard, nationally is 18.7 weeks; prior to these periods of unprecedented growth prior to the recession, the average period of unemployment was only 17.2 weeks so we are not making much progress.

The employment and growth rates in this country after six years of so-called unprecedented growth nationally are only 7.8 per cent. I caution all members that when we are talking about 7.8 per cent, we are speaking about a ratio that is considerably lower than the pre-recession period. At the lowest in that period it was 7.5 per cent. Nothing in this government's strategy indicates that we are actually making any progress in that regard.

I have to ask myself again, what is it that drives this department and this minister? If we look at whether we are creating a new labour force for some purpose and reason, how do we go about it? Do we go about it by decimating the people and workers of various regions and sectors of our country, those who are less advantaged than others, especially when, in terms of labour market programs, Canada ranks well below the other OECD nations? In fact, in employment promotion, were it not for countries like Japan and the United States, Canada would be at the very bottom in terms of investment in employment promotion. It ranks somewhere near the middle in terms of income maintenance, but that is going to change after this particular proposal.

For example, the growth of labour in Canada between 1977 and 1981 always exceeded 2.9 per cent. In the last four years, after unprecedented growth, we are one percentage point below the level that we had prior to the recession.

I do not know if we are going to think seriously that because we are going to implement Bill C-21, which is going to ravage an income-maintenance system, that we are going to satisfy the needs of the deputy minister of this department. The deputy minister says, I guess on behalf of the minister, "if we force people to look for a job for an additional two to six weeks they will find it because they can always move to Toronto. Look at all the shops that say 'help wanted'", at less than $5.50 an hour. "Let them take that." After all, minimum wage is going to be more than the average amount that one derives from unemployment insurance benefits if one qualifies. They are going to get help to move. There is a $15 million fund. Everybody is going to move from from the maritimes, northern Ontario, the prairies, northern B.C., and the Northwest Territories, to where all those jobs exist Burlington and southern Ontario.

The growth of employment in addition to the growth of labour is still well below the rates that were verified in Canada prior to the recession. This government's record is not all that good after six years of unprecedented growth. For example, from 1984 to 1987 there was an average of 2.6 per cent in growth of employment, whereas the average in the 1977 to 1981 period was well in excess of 3.5 per cent. Those are not my statistics. These are statistics that the government accepts. They are StatsCanada figures. I got them at the same place that the government gets its statistics.

When we take a look at where we are going, we can no longer think in terms of success in the works as the government says it program is, in terms of whether we will actually get people to work, because we have not been able to do that in sufficient numbers and with sufficient quality. I stress the word quality because what we need to do if we are going to enhance the productivity and the growth of this nation is to develop a program where people can earn more, progress, and provide long-term advantage for their entire families, where they can look beyond the needs of today and the

exigencies of the moment. In fact, they can engage in some long-term planning.

How can the government propose this bill in the absence of a comprehensive industrial economic strategy and immigration policy? Over the course of the last couple of decades, we have developed a cheap labour pool that has been a disincentive for technological innovation, and yet in this country where immigration continues to serve the interests of this cheap labour pool, what have we done? We have cast aside the potential for growth represented by a sound and progressive immigration policy. We have put a tariff of $150,000 for those who have a few dollars to spare and will invest in Canada. We will give them landed immigrant status regardless of their location of origin, their race, their creed, whatever, as along as they come up with $150,000. We do not take advantage of the talents, the energies, the dynamics and the risk-taking characteristics that many of these new Canadians could bring to us.

Mr. Deputy Speaker: The hon. member for Kootenay West—Revelstoke.

Mr. Kristiansen: Mr. Speaker, I rise on a point of order. I regret to interrupt my hon. friend, but I believe that the House lacks a quorum.

Mr. Deputy Speaker: We now have a quorum. The member for Eglinton-Lawrence.

Mr. Volpe: Mr. Speaker, in that moment of reprieve as we were taking a count of the members, I know there were many more than other colleagues could see because they were more and more attentive.

Mr. Kempling: Your speech was so boring that they couldn't stand it.

Mr. Volpe: What was happening, Mr. Speaker, more than anything else, is that some of them are catching up on the rest that they have been losing at night as they have been thinking about what is going to happen to their jobs. Tory times, as one of my colleagues said, are hard times indeed. They stay awake at night thinking about what they are going to do the day after this bill is presented.

• (1520)

So, Mr. Parliamentary Secretary, let's start thinking about making proposals that are comprehensive in nature so that this government can at least show some initiatives and leadership, the kind of leadership that has been lacking so far.

Mr. Kempling: Say something with substance.

Mr. Volpe: You wouldn't understand it if I gave it to you all in one lump sum, Mr. Parliamentary Secretary. We have been giving you more substance than you can handle and you say pooh-pooh, we do not believe this. We have given you statistics from all kinds of organizations and research groups. I have read some into the record. I see the parliamentary secretary giving a shrug of the shoulders and saying: "Well, they are not our statistics. I do not believe them."

I am going to read some of the statistics from his own impact studies and perhaps maybe he will be able to understand that there is a different interpretation to some of those figures and those interpretations give a better picture of Canada than the one that he and his minister would like us to have believe.

[*Translation*]

Mr. Speaker, many people from other countries bring energy, talent, dynamism and entrepreneurial spirit to Canada. We have someone who is both Minister of Employment and Minister of Immigration making decisions in a vacuum.

[*English*]

The government should be looking for ways to capitalize on the creative talent of all Canadians. Many who come from overseas have energy, talent, education and commercial expertise that goes untapped. A solid labour development strategy should seek to exploit this source of talent through a progressive immigration policy.

[*English*]

If the government is not going to pay attention to the comprehensive nature of its decision, can we be at all surprised that when it proposes these restrictions on qualifications, when it proposes enormous reductions in benefits that we will suffer throughout Canada?

I want to draw to the attention of the parliamentary secretary because he asks for something substantive. I am going to give him some of the statistics that they gave us from an impact study that they passed out surreptitiously without much notice three months after we asked for it in this House, impact studies of this Bill C–21. Even though they tried to hide some figures they did admit finally two months after they had said that only 300,000 people would be affected negatively throughout the country according to their impact studies based on StatsCan figures, we are looking at better than 770,000 Canadian who will be impacted negatively as a result of this proposed legislation.

I am not talking about figures that I derived from StatsCanada. I am not talking about figures that the minister says come from the CLC and other labour organizations and therefore they must, department's own statistics. The department's own statistics show that, in terms of the percentages of claimants who will suffer reductions to unemployment insurance in the province of Newfoundland 41 per cent will suffer reductions. These are the government's figures.

In P.E.I., 46 per cent of all claimants will suffer reductions. In Nova Scotia, 31.5 per cent of all claimants will suffer reductions. In New Brunswick, 40 per cent of all claimants will suffer reductions. In Manitoba, 49 per cent of all claimants will suffer reductions. Surely, this is a vindictive rather than a constructive approach to labour development. I say vindictive because those same figures reflect just a little bit more heavily on the general population. When we take a look at the percentage that claimants will suffer as a result of a new benefit schedule and new entrance requirements we see 36 per cent in Newfoundland, 39.3 per cent in P.E.I., 33 per cent in New Brunswick, 33.1 per cent in Manitoba. Those people as claimants are a percentage of the total population. We are not talking about people in a vacuum. That will give an indication to all hon. members just how significant the unemployment insurance program is as an income maintenance program and as a program to address the regional disparities of this country.

In Newfoundland those who claim benefits from unemployment insurance, a program into which they have made their proper payments, represent 19.67 per cent of the entire population. That is one in five man, woman and child is going to have a negative impact as a result of the application Bill C–21.

When one considers that the average is better than $1,200 per claimant, I ask members to think in terms of the impact, in a macro sense, as I said earlier, not in a micro sense. What happens when one out of every five residents of Newfoundland suffers an average of better than $1,200 in annual income reduction? What does that do to the disposable income of the residents of such a province? What does that do to their purchasing power? What does it do to their ability to purchase more in the market–place and to stimulate more growth? I think the answer is obvious.

It would be okay if it was only an isolated case in Newfoundland. But in Prince Edward Island, 17.43 per cent of every man, woman and child will suffer reductions. In Nova Scotia, just a little bit better, 11.25 per cent; in New Brunswick, 14.82 per cent; in Quebec, 10.5 per cent of the population will feel the pinch of this particular bill.

What is really sad about this is that the government in the committee hearings and in this House, in the press, and in the media, has refused to engage members on this side of the House in debate. It has been saying out loud that we have to clean up the act of all those claimants. I said earlier in this debate, that if the government wants to punish those who abuse, punish them. If it wants to be severe with them, be severe. But do not ruin the system, tear apart the structure and punish every single man, woman and child in this country because of a few abusers. We do not know whether those abusers are individuals or corporations.

In terms of justification, let me given an indication since I read some figures about eastern Canada and the maritimes being the repositories of this Tory government's vengeance. Let us see the reaction in terms of statistics. Remember they come from the government's impact studies. Only 5.3 per cent of all claimants of the unemployment insurance system from Newfoundland actually did so because they quit their job without just cause. That tells me that residents of Newfoundland will accept a job if there is one available. They do not go some place else willy–nilly. In P.E.I. it is only 6.7 per cent of all claimants.

We are talking about an over–all global picture of better than $1 million per annum. We can check the exact figures in a moment for the sake of the parliamentary secretary. But in P.E.I. as a percentage it is only 6.7 per cent. By contrast, in wealthy Ontario, the great

golden horseshoe of southern Ontario around the great metropolis of Toronto, from which I come, 13.2 per cent actually quite their job without just cause. That tells us there is not much of a correlation between the government's decision to justify its cutbacks on the basis of a just cause theory.

In Saskatchewan, only 11.5 per cent quit their jobs without just cause. In wealthy B.C. it was 12.4 per cent. So, the poorer provinces find that their citizens work assiduously at whatever job is available.

• (1530)

Does Bill C–21 give them an opportunity to develop new jobs? The minister says that we are to develop new skills so that these people will be able to work and work productively. I say great. Where are these new skills to be applied? What is the economic strategy, the industrial policy, in which all these new skills will function and produce the kinds of benefits that the minister says will be there?

The minister cannot answer that question because she has not yet consulted with all those groups that appeared before the committee in order to give the committee an indication of what should be done. Even if we do give them some skills development, where will we apply them?

I say "even if" because quite frankly most of us in the committee began to look askance and with some scepticism that the minister and the department were intent on a new training system.

The minister is listening very carefully. In job development in 1988 the government actually reduced its input of moneys spent by 8 per cent. If we are to look for sincerity and direction in this particular bill, we have to take a look at its track record. In job entry programs there is a negative input of 1.7 per cent. The government said that we must train our people for the skills that are to come on line. I agreed with the government.

What did the government do? It cut back funds by 3.6 per cent.

What about skills investment? We need a futuristic attitude. We must look down the road. We must see where we can apply our talents and energies, our future. My leader said the other night, in paraphrasing Robert Kennedy: "Give me your best for tomorrow; give me your best intellectual capacities and your best energies upon which we will build a new nation".

In skills investment the minister and her department last year diminished the amount by 7.05 per cent. The minister has been justifying many of these actions by saying the government will put in lots of money so that the communities at the local level can tell us what they need. Members of Parliament being from those local areas and being in constant touch with their electorate cannot tell it.

In Community Futures the government reduced its input by 2.5 per cent. In innovations there was a 20 per cent reduction. One must look with scepticism at all these projections that the minister says are on line because when we take a look at the final outcome there is a question of the constitutionality of this particular bill.

One presenter from the greater Toronto area pointed out that what was happening was that the government was asking for an increase of funds available for training of up to 15 per cent of the total UI budget to be applied to training. That is clearly beyond the parliamentary mandate of this government because the UI system is an income maintenance system, not a training system. Yet the government is going to take 15 per cent.

According to the 1989 Estimates—I am going to use the most conservative estimate of 15 per cent of well over $10 billion excluding government contributions—that comes to approximately $1.5 billion available for training. Coincidentally, in Canadian Jobs Strategy the over–all amount of moneys available is $1.46 billion.

If we take a look at the track record of the government over the course of the last four years where there has been a reduction of $770 million toward training, we can expect that the government will take moneys from premiums.

The minister said when she made her Freudian slip earlier on in the day: "We are going to tax the employed and employers in order to provide training for those who qualify". Quite frankly, we will see government input in the CJS program diminish by the same amount of money that is to be transferred from premium payments, payments that no longer reflect any government input. In

fact there will be an additional tax, especially upon those who have the low-skilled jobs.

When one takes a look at those kinds of actions, it is little wonder that the minister has pushed this bill through the House with closure at virtually every single stage. After only four hours of debate on second reading we were slapped with a closure motion. Our committee was constrained by time to present a report by October 10 and in fact in its clause by clause consideration was only able to get through 19 clauses. We had to vote on all the remaining clauses in a half hour.

The bill has not been given the appropriate consideration, perhaps rightly so, because if people could study this item by item to have an indication of just how serious and how negative this is for Canadians, there would be a revolution outside the very halls of this Chamber.

I am dismayed that we have now been set to time allocation and will not be able to address the evils of this bill much beyond Monday evening.

What I would like to do is give other opportunities to my colleagues to address some of the nefarious components of this particular bill, components that can draw attention to clause 19, for example, which is a permissive clause.

It gives the department the opportunities, the rights and the powers to draw up programs and to determine who shall qualify for the training programs, who is likely to profit in the estimation of the employment counsellor from those employment programs, and who in fact can implement that profit to personal satisfaction down the road. That would be fine.

I would almost accept that, except the clause also has a subparagraph that denies claimants the right to appeal the decisions of those employment counsellors. These employment counsellors do not have the greatest of preparation to make life decisions for those who find themselves without work and would seek to take advantage of an opportunity to improve their status as workers, as skilled tradesmen, and as productive Canadians.

Because of that, Mr. Speaker, I want to present a motion of my own. I move:

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

Bill C-21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, be not now read a third time but that it be read a third time this day six months hence.

• (1540)

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, it is with no degree of joy that I rise today on the second last day of debate on Bill C-21, other than to be able to speak against it. There is no joy in the bill itself. This is one of the most devastating pieces of legislation which will ever pass through this House.

The official title of it is "an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act". I would suggest that a far better name for it would be a bill to re-enact slavery in Canada. Within the next 20 minutes I hope to be able to demonstrate why I think that is the case.

First, I would like to look at the record of this government. This government introduced this legislation in the most glowing of terms. If we were to believe what it says, and I am about to show that it certainly cannot be believed, this bill would be so beneficial to Canada that we would not have to worry in the 21st century about Canada's competitive situation in the world.

The government has introduced this measure as the coming mode of the 21st century. All I can say is: if this is what is in store for Canada in general and for Canadian workers specifically in the 21st century, I shudder to think of the dawning of the 21st century in Canada. The 20th century was supposed to belong to Canada. I suspect that that did not quite materialize. If the implication is that the 21st century is going to belong to Canada, I assure you that it will be no more successful because this government cannot be believed. In everything it has undertaken since it was elected it has demonstrated incompetence. It has demonstrated that it is not a government which can be believed.

Deregulation was introduced in the same glowing terms as Bill C-21. If we just talk about the airline industry alone we find not that there is more competition in the airline industry in Canada, not that there is better service to the communities of this great nation of ours, not that the transportation by air is cheaper. We find just the opposite. Communities are being less well served

than they were. The cost of air travel has increased and the competition is almost non-existent.

That great airline, Air Canada, one of the great symbols of this nation, is another example of what this government is up to. It seems to be destroying the icons, the symbols of this nation. It has certainly done that with Air Canada. It has demonstrated that it cannot be trusted.

Free trade was introduced in the same manner. We were told that this was going to open markets for us and increase jobs. Canadian workers, of which I was one, were threatened in the last election that unless we voted in favour Canada would go down the tubes because we would not be able to be competitive.

The government said that it would take care of any Canadian workers who were displaced because of free trade. Once the bill passed this House, a day that will live in infamy in this country, in my memory certainly, what did we have? A special committee, set up to come forth with ideas to protect the Canadian workers, stated that it would not be that easy to keep track of who is displaced because of free trade, but that there were wonderful schemes in place anyway to take care of those people so it would not really be necessary. They emphasized that you cannot keep track of it.

Within the last couple of weeks there was a report stating that it was possible to keep track of the jobs displaced and what free trade was doing. We have reports from Canadian Tire that it was to boost its spending from $94 million to $160 million. The government claims from its own report, according to a newspaper item, that Domtar was increasing its facilities and going to create 130 jobs and that George Weston was spending $47 million with the implication that it was going to create untold numbers of jobs. The list goes on and on. Boeing of Canada was to spend $274 million according to this report of the government as a result of a study which said it could not be done. The claim was that free trade was good and this was the proof, in spite of the fact that it said it was not possible calculate. It has all these jobs listed to show that free trade was indeed good.

I suspect that in the whole report there was only bad news and worse news. The very companies which the Conservatives claimed to be the flagship of their proof that free trade was going to be beneficial for Canada, the same companies here such as Domtar may have created 130 jobs but they were also going to eliminate 77. George Weston was to spend $47 million but it is to let 360 people go. Campbell Soup is spending a tremendous amount of money but closing down its plant in Portage La Prairie, losing 168 jobs. It goes on and on.

The bottom line is that the government claims 4,000 jobs created with 2,000 spin-off jobs. If you count the number of jobs which were lost by those very same companies we have seen held up as the best example of the corporate elite doing the best they can for this country, they are going to be letting 6,400 people go. You can add the spin-off jobs that are going to be lost because of that. You cannot trust this government on anything it comes up with. Its very own examples show it to be the incompetent government bunch that the opposition said it was during the last election and previously as well.

During the election campaign we were told that the social programs were sacred trusts that would not be touched. The Conservatives said unemployment insurance was something that would be untouched. We had the Prime Minister's assurance on it. Today we see Bill C-21 gutting the unemployment insurance scheme, after having said that it would not happen. This government cannot be trusted. If we go back to the original sacred trust, the example of the senior citizens' pensions, if it was not for a tremendous amount of effort by the seniors in this country deindexing would have devastated them and their ability to survive even as poorly as many of them do now. It would have been even that much worse.

In spite of promises this government simply cannot be trusted. Now we have a threat to the Canadian seniors pensions again through the clawback provision. All this government does is cut, cut, cut. It has no more imagination than to cut programs. Why does it start with the social programs in this country? It goes back to free trade again.

• (1550)

Speaking of free trade, just yesterday we had some workers here on the Hill. Outboard Marine Corporation are the makers of Johnson and Evinrude outboard motors. They told their 300 employees—that is all that is left now—that because of free trade they could no longer afford to operate in Canada and that their plant

was being moved out on January 5, five days after Bill C–21 comes into effect, and because of which workers in that plant would lose on average from 10 to 24 weeks of unemployment insurance. This bill is going to have a devastating effect on those people. Whether you are talking about free trade, whether you are talking about social programs, the evidence is that this government cannot be trusted.

Why is the government doing this? There are several reasons. The two reasons most frequently referred to are cutting the deficit and cutting the national debt. When this legislation was introduced, the government went overboard to point out that it was supposed to be revenue neutral. How can the government introduce a piece of legislation claiming it to be revenue neutral and, during the course of the debate on it, insist that one of the reasons these things have to be brought into effect is that the deficit is out of control? We have to do something to cut back on the national deficit.

The previous speaker made reference to the Prime Minister and his gloating over the number of jobs which have been created. It may or may not be true, I do not know, because one can do almost anything with statistics. Perhaps there have been 1.5 million jobs created, perhaps there have been 1.8 million created, but let us take a look at those jobs. Let us take a look at Canada in spite of the fact that these 1.5 million jobs have been created.

I would not want to be the Prime Minister standing up there and bragging about creating any jobs, when food banks have been proliferating. The tonnes of food that the food banks have given out in this country to absolutely destitute and needy people since this government came to power is phenomenal and certainly needs some kind of an explanation other than that we have created 1.5 million jobs.

I would ask the Prime Minister to explain why, if he has created all those wonderful jobs which he is quick to point out are full-time jobs, so many children in this country are going to school hungry. Why are the school boards and the cities in this country having to take up the slack which the federal government has created in so far as transfer payments are concerned in order to be able to feed the hungry children in this land?

There is no way that we can proceed with Bill C–21 and be confident that what this government claims is actually going to happen. In fact, the entire opposite is true. It will be as devastating for this country as deregulation, as free trade, as privatization, as the cuts to VIA, and as the GST is to be.

This government cannot be trusted. All I can say to the members opposite, and I would say it to Canadians as well: Beware when Bill C–21 comes into effect on January 1. This nation is in for the shock of its life with results that were not even dreamt of three months ago.

I do not know whether the results of Bill C–21 were preconceived by this government or whether it is simply a result of its philosophy. It certainly resembles very much the philosophy of Margaret Thatcher. It seems to me to reflect very much the philosophy of Ronald Reagan. He gives us the best analysis of the depravity of this government in its inability to come to grips with governing. This philosophy that is so well exemplified by Ronald Reagan is the same one that tried to get ketchup made legal as a vegetable for school lunches in the United States. I think that pretty well sums up the depravity of this government and the total lack of any meaning that it can possibly inject into our Canadian society as a result of this failed philosophy.

Let us get back to all these jobs, jobs, jobs that the Prime Minister talks about. Let us take a look at some of the jobs that are available in this country. I have here a list of jobs from, of all places, one of the unemployment insurance offices in the city of Ottawa. I will not go through them all, but I will try to hit the full spectrum. There is a job for a cook for $6 an hour, a counter clerk for $5.25 an hour, another cook for $6 an hour, a hairdresser for $5 an hour, a dish washer for $5 an hour, a car wash attendant for $6 an hour and a meat cutter for $8 an hour up to $13, one of the better ones.

I was on the legislative committee on Bill C–21, which travelled across the country. Here are some jobs that are available in Prince Edward Island from the unemployment insurance office there: waiter or waitress, $4.50 an hour; dish washer $5; meat cutter $8, not bad. But it does not matter where you are, Mr. Speaker, for a family of two with only one person working, that is the poverty line anywhere in this country.

The previous speaker pointed out that there was far less unemployment among those who were above $10 an hour than there was below it. It is a wonderful report that I would recommend to the government any time it feels it needs some enlightenment. I suppose Bill C-21 suggests that it feels it does not need it, but I certainly recommend that it look at the social cost. This is a government that can only understand the bottom line, whether the loonies are jingling in the cash register. The intangible effect of what it does is of no consideration.

Other jobs include: survey technicians, $7.50 an hour; a short order, cook $4.75 an hour. There is a tremendous amount of sexism as well. I will give the government credit for making reference to some jobs which can be left voluntarily without the penalties so prevalent within the legislation that was first introduced.

Here we have a secretary, not only a secretary but a bilingual secretary, for dare I say the princely sum of $7 an hour. Now most of us think that secretaries are some of the best paid people. We all know that they are the best qualified, but obviously they are not among the best paid people in Canada. Best qualified, yes; best paid, no. It is not a coincidence. It is the way our society operates. A woman at best making 60 per cent of what men make, and a bilingual person as well. Can you imagine the gall of the unemployment insurance centre putting an ad on its bulletin board advertising a job for a bilingual secretary at $7 at hour. That is poverty level anywhere in this country for a single person.

• (1600)

Let us not kid ourselves, as the Prime Minister tries to do, that all these jobs he is creating are something wild and wonderful. As a matter of fact, most of the jobs which have been created since this government came in have been the low paying, low quality jobs, and most of the people who have become employed since this government came to power and since the end of the recession have been women, earning 60 per cent less than men. As one of the previous speakers pointed out, the actual employment level is hardly up to pre-recession levels.

There will be other speakers who will get into some of the specifics of the devastation this act is going to cause the people of Canada. I only hope that the devastation is less than I predict it will be.

Mr. Speaker, I realize I am getting very short of time. I would beg this government, I implore this government, even at this late date, to reconsider the implementation of this bill. A motion has been made to have it hoisted for six months. I beg the minister not to even put it to a vote. Do the honourable thing and withdraw it.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Prince George—Bulkley Valley (Mr. Gardiner)—VIA Rail; the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall)—VIA Rail; the Hon. Member for York Center (Mr. Kaplan)—Supply and Services.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. MacDougall that Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, be read the third time and passed.

Mr. Deputy Speaker: I would like to remind members at this time of the agreement that was made this morning between the three parties. Speeches from now on will be ten minutes followed by a five minute question and comment period.

The Hon. Minister of State for Employment and Immigration on debate.

The hon. member for Okanagan—Similkameen—Merritt on a point of order.

Mr. Whittaker: Mr. Speaker, I look to the Chair for a direction. I understood that there were no questions and comments on the first two speeches, but there were comments on the last speech. Is that correct? I look for direction on that.

Mr. Deputy Speaker: The member is absolutely correct. There will be questions and comments. That is my mistake.

On questions and comments, the hon. member for Okanagan—Similkameen—Merritt.

Mr. Whittaker: Mr. Speaker, I considered it from the point of view of employers and employees to see how it will affect the people of Canada. I looked in small municipalities across Canada to see who the major employers were in those areas. In many municipalities in my riding, as is true across Canada, it appeared that the major employers were hospitals, municipalities and school districts.

I wondered, if these are major employers, how that is that going to affect the people in the various areas of Canada with respect to the Unemployment Insurance Act. Most people from the other side of this House say that the employers and employees are now going to be paying their share and the government will be getting into the job training aspect. When the major employers are those people whom I have spoken of, how is that going to affect the average Canadian within each of the areas of Canada?

Can the member give us an idea of the implications for the average property owner and the average renter in Canada as a result of these unemployment changes? Is in fact the effect of this bill to pass on a tax structure or part of the tax structure and the cost of this to the property owners within Canada?

Mr. Fisher: Mr. Speaker, I would like to thank my colleague for the question.

It was not only the opposition members on the committee who recognized how devastating these changes were going to be, it was not only the advocacy groups for the disadvantaged people of this country who are going to be so adversely affected, and it was not only the members who came to us from the unions. I can understand why the members opposite hate unions. Those outboard marine people are making $14 an hour in Canada and when that work is taken to the United States, the workers will only be getting $6 an hour. I can understand why they dislike unions.

The cities as well recognized how devastating this would be for them and they recognized it in two different aspects. First of all, they did realize that they as employers would be subject to the increase in the premiums which they would have to pay. The increase is somewhere in the neighbourhood of 17 per cent. Considering that many of the municipalities have a considerable number of employees, certainly from that point of view alone there will be an increase in cost to the municipalities and the cities.

Second, Bill C–21 by the government's own figures is going to exclude entirely, across this nation, 30,000 people. That is a rather "Conservative" figure. Other studies have shown that there are going to be thousands and thousands of Canadians who will literally no longer be eligible to receive unemployment insurance. I think these studies could have been shown to be more reliable if the government had allowed the committee on C–21 to hear the people who made them in order for them to establish the validity of their assessments based on Stats Canada figures rather than some 11 year old suppositions which resulted in, as has already been referred to, thought control and behaviour modification.

If they do not receive that assistance what are they going to do? Certainly the cities are going to have to look at these people and make a decision. Are they going to subsidize these people through the welfare rolls because the government has abrogated its responsibility on unemployment insurance, or are they going to let them starve? The obvious answer is that course they are not going to let them starve.

Several cities submitted briefs. The city of Toronto in its brief estimated that in the first year it will cost the city $10 million. What will occur subsequent to that is anyone's guess, but it certainly is not going to get any better. The city of Sudbury recognized that the same kind of problem will occur for them. Although being a smaller area the numbers would be less, the effect is no less. If someone is hungry it does not matter whether they are in Sudbury or Toronto. The city of Vancouver presented a brief. They considered it so serious that the person who presented the brief in Vancouver was the mayor of the city.

Included in the briefs by the municipalities were also references to the provinces. The committee heard no witnesses from provincial politics, but we were able to get references to provinces from the cities. I hope that answers the member's question.

Mr. Deputy Speaker: There is very little time left. The member for Mission—Coquitlam on a question or comment.

Ms. Langan: Mr. Speaker, many of us are wearing red carnations today. Could you explain where those carnations came from and the symbolism of them?

• (1610)

Mr. Fisher: The construction industry will be among the most devastated industries in the country. We do not often view people who are so highly trained. The government is talking about training. I do not know what it is they are going to train the construction industry for; perhaps meat-cutting or waitressing or bilingual secretaries. I do not know.

These are already highly trained people. All they want is jobs. That is precisely what this is about. The construction industry is going to be highly devastated because of these changes. These men and women were today giving bouquets of flowers as a demonstration of goodwill to the minister and asking her, in the kindest of terms, if she would reconsider what she is doing.

An Hon. Member: She would not even see them.

Mr. Fisher: Yes, it is true. The minister would not see them.

Some Hon. Members: Shame!

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I must say I am very pleased to take part in this debate, especially after hearing what was said by previous speakers, for the opposition, and I will take this opportunity to set the record straight.

This bill is of vital importance to our labour force and to Canada as a whole. This measure once again reflects our government's determination to help workers adjust to technological change and, above all, to deal with a market that will be increasingly competitive during the next ten years.

Mr. Speaker, we could have left things as they were and said "no" to a thorough overhaul of our unemployment insurance system. We could have made a few minor changes and let the vagaries of the economy do the rest. Finally, we could have suggested band-aid solutions instead of providing a permanent remedy to the pervasive ills of underemployment and workers' lack of training.

Our government has realized that in this area as in so many others, one must have the courage to do what the situation demands.

We decided to change a system that no longer meets the current needs of the labour force and adapt it to tomorrow's needs, especially with respect to occupational training for Canadian workers.

[*English*]

Our government is very conscious that the time has come to substantially adjust the unemployment insurance program. The time has come to provide the training our workforce needs to meet the challenges of our technological era. As a government it is our duty and we will not fail. Faced with a labour market that has become more complex, we realize that there are fewer places for workers with minimal instruction and no professional training. Market pressures are forcing business to turn ever more to robotics telecommunication and high tech. Even traditional sectors must now use machinery that is much more complex.

[*Translation*]

Over one million people are having trouble finding jobs, and companies are having a hard time finding qualified workers.

Because of the lack of training programs, not all workers are able to take advantage of this new technology.

As far as the training and productivity of our labour force is concerned, our country lags behind other industrialized nations. Considering the Free Trade Agreement, Europe 1992 and increasingly competitive international markets, we must act quickly and decisively if we want to maintain our competitive position.

Mr. Speaker, our economic future is at stake, and it will depend on what we do today.

We currently spend $12 billion on unemployment insurance benefits and only $400 million on training our workers. Clearly, we must achieve a better balance between income support measures and measures designed to maintain or create jobs, and that is what we are trying to do with Bill C–21.

Mr. Speaker, the best legacy a country can give its young workers is the kind of professional training that will help them build a future for themselves instead of joining the ranks of welfare recipients and the chronically unemployed.

The labour force must be able to meet the challenge of technological change. We think it is also essential, however, that the private sector should do its share and invest more in occupational training. As part of the labour force development strategy, between now and 1994, the private sector will be asked to spend $1 billion annually on training its work force.

Mr. Speaker, the action taken by our government reflects once again our commitment to establishing an effective partnership to ensure the prosperity of this country.

The purpose of Bill C–21 is to make our labour force more productive and more competitive, but there is more. The proposed legislation also aims to provide for greater equity among certain categories of workers, and especially among the various regions in this country. I am thinking more specifically of women and older workers. I am also referring to certain measures in connection with our obligation to consider regional disparity when calculating benefits.

Women account for more than half the population in this country, and it stands to reason we should bring the Unemployment Insurance Act more into line with the provisions of the Canadian Charter of Rights and Freedoms with respect to employment equity.

As the minister responsible for employment equity, I have always maintained that our competitive position as a nation depends largely on that vast potential that Canadian women represent on the labour market. It is time that as a society, we woke up to this reality and made it possible for women to pursue their career objectives while sharing family responsibilites.

In the past, Canadian women have shown they were able to reconcile the two, as long as we, as a society and as a government, were willing to provide them with the means to do so. Our governement recognizes the impressive contribution made by women on the labour market, and as part of its reform, it has introduced some very important social measures. I am surprised that throughout this debate, Mr. Speaker, so little has been said about the major social measures that were introduced to enable women to enter the labour market: maternity leave and parental leave up to a total of thirty weeks. All these measures reflect our government's recognition of the role played by women, couples and families.

[*English*]

Mr. Speaker, it is also our duty to help older workers. These workers are a pool of experience and talent which is vital to our economy. It is imperative that older workers be encouraged to contribute. The Canadian workforce will be all the more qualified and productive. One hundred million dollars more will be invested in employment programs for older workers. As minister responsible for seniors, I say thanks for this reform.

Presently, workers aged 65 and over are not allowed to pay UI premiums and are not, therefore, entitled to receive benefits when they lose their employment. Our bill will correct this situation. It will allow for workers aged 65 and over to pay into the program and, naturally, benefit from its protection.

[*Translation*]

But we are also interested in the situation of our youth. We will spend $100 million to develop young people's skills. These funds will be used to launch a new program to meet the needs of various growing industries and occupations and will provide training for another 50,000 young people.

Mr. Speaker, one of the basic principles of this reform is to ensure that Canadians who can work are able to do so and that everyone understands that it is better to have a job than to live on unemployment insurance or welfare. We must, I repeat, break the vicious circle: short–term jobs, unemployment insurance, welfare. The workers of this country want something else, and we as a government are working on it. We know that Canadians really want to work. We are betting that these workers will use the training opportunities that we make available to them.

It is just as important to be fair with the regions. As you know, Canada is not immune to regional disparities. There are wide gaps, especially in hiring. We must admit the obvious fact that it is harder to find a job in St John's,

Newfoundland, where the unemployment rate is about 14 per cent, than in Toronto, where it is around 4 per cent. Unemployment data remind us of this reality every month. Instead of giving up when faced with this challenging situation, we should adapt the unemployment insurance scheme accessibility requirements to the true needs and specific conditions which exist in the various regions of our country.

• (1620)

Mr. Speaker, we were compelled to return the unemployment insurance scheme to its original role. As I said, the purpose of this scheme is to provide income support to working men and women who, for reasons beyond their control, find themselves without job and without income. That is our definition of the so-called "safety net". In this context, it is vital that this scheme provide incentives and that its benefit structure encourage workers to keep their jobs and return to the labour force.

In order to provide Canada with a dynamic and competitive skilled labour force, we had to make a number of difficult choices. Mr. Speaker, the improvement of job opportunities since 1984 indicates that we were right in our analysis and forecast. In short, such is our manpower development strategy, as reflected in Bill C-21.

Mr. Speaker, we must support this bill and thus promote the short, medium and long-term development of a more skilled and more productive labour force.

[*English*]

Ms. Langan: Mr. Speaker, I would like to make reference to the minister's comments on retraining. The problem we face is not so much one of lack of skills for the jobs available, but the lack of high skill, high wage jobs. We have one of the most skilled workforces in the world right here in Canada. What we need to do is to put it to work. We can see that while training is a necessary component to any full employment policy, it is not enough. It is absolutely vital for us to recognize that this bill redirects $800 million from the benefit fund to the training fund. We need to look at what training is being done, who is being trained, and who is doing the training. The programs to date have simply prepared people for temporary unemployment, and have trained them, not for future needs but to fill short term low paying jobs. I would appreciate if the minister could comment on that.

[*Translation*]

Mrs. Vézina: Mr. Speaker, I was in the House and I listened to the long and repetitive remarks made by my learned colleague from Eglinton—Lawrence. I was reading while listening to him. In short, business people who took part in a poll deplored the shortage of skilled workers which they felt was a major impediment to the growth of small and medium-sized businesses. We are all well aware of the vital role which small and medium-sized businesses play in this country. We all know just how important it is for our labour force to adapt to new requirements, both for today and the future. A poll carried out in Canada resulted in a definite identification. Owners of small and medium-sized businesses stated: " Because there is a definite shortage of skilled workers, we are determined to work, together with the Government, toward upgrading our labour force." So are we. I agree with my hon. friend that we should work together with the private sector, together with employers and employees to identify real needs. That is what we mean by "partnership" and "consultation". We are striving to identify the needs so that we can put together adequate training programs. Having spent several years in the field of education, I am convinced that if we want to bring the unemployment rate down, we must start by training our human resources.

[*English*]

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, it is important today, especially after the last statement, to explode some myths about the intentions of Bill C-21.

[*Translation*]

Bill C-21 is not designed to provide Canadian men and women with the new and improved training programs that they need to adjust to the new economic situation.

[*English*]

Bill C-21 is not designed to improve the employment opportunities of those Canadians who are now toiling at the fringes of society, underpaid, undertrained and destined for increasing uncertainty and poverty in their lives. Bill C-21 is not about developing the talents and expectations of Canadians that if they work hard, try to

use their potential to the fullest and nonetheless become unemployed through no fault of their own, a compassionate society has in place a scheme to which they contribute that will provide for the necessities when they are without any earnings.

[*Translation*]

Bill C–21 is not designed to identify and exclude from the system the few dishonest people and cheaters who are abusing it. Rather, it will deprive the most destitute workers of benefits that allow them to meet their needs when they are out of a job.

[*English*]

Bill C–21 is about money. A government that has slashed spending on training by $700 million a year since 1984 now wants to make up for its own failures. It now wants to gouge money for training programs from the pockets of workers and their employers. Cruelly and cold–bloodedly it is telling the unemployed that they will have no income or reduced income when they lose their jobs because a greedy government needs their money.

Bill C–21 is about privatization. The government is opting out of any public financing responsibility for unemployment and regional disparities that result from fiscal, economic and trade policies for which it is responsible.

[*Translation*]

Bill C–21 will have the effect of creating a class of workers forever dependent on the whims of the market and forced to accept second–rate, dangerous and underpaid jobs.

[*English*]

Bill C–21 is about shutting down rural Canada and turning out the lights on Atlantic Canada, remote regions and small communities across the country.

Let me put some flesh and bones on these points by turning to some of the amendments that would have made this not a good piece of legislation but slightly less damaging. These are amendments which the government, by closure and obstruction, has prevented even being discussed.

[*Translation*]

Bill C–21 will crush the hopes of hundreds of thousands of Canadians who wish to participate fully in the growth and prosperity of this great country.

[*English*]

The government says it wants to train those who most need training. Those who most need training are those at the bottom of the employment ladder who have the hardest time getting and keeping a job, who have short term sporadic employment. These are the very people who will be shut out in greatest numbers by this bill from qualifying for unemployment insurance, and if they do not qualify for unemployment insurance they do not qualify for the training that their dollars have paid for.

If this government's intention is truly to train those who need it most, why would it refuse to consider an amendment that would allow workers to qualify for training after a minimum 10 weeks of employment? Shutting them out of benefits is one thing, but shutting them out of training is deplorable. Those who need training most are those already at a disadvantage in the changing workforce. They are women earning only 66 cents for every dollar a man earns. Persons with disabilities are at a similar disadvantage both in income and training opportunities, and the employment disadvantage of persons of visible minorities or aboriginal peoples is already well documented.

Why then will the minister and the opposition not even allow this House to debate an amendment that would guarantee these groups equitable access to training programs, programs I remind the House that these people pay for through their contributions to the unemployment insurance fund?

• (1630)

I suggest this amendment is unacceptable to the government because it is not interested in the unemployed of this country. It is not interested in equity. It is not interested in allowing people to reach their full potential regardless of age, gender, colour or ethnic origin. It is only interested in taking money from the unemployed and turning it over to the private sector to train those who can most quickly and easily be trained.

Those are not the values this country was built on, but they are the values that are quickly overtaking our society under the leadership of this Tory government.

I said this bill is not about training, it is about money. It is a continuation of this government's determination to solve the problems it has created by bearing down with a steamroller, squeezing every last possible penny it can from Canadians, not caring who gets crushed in its path.

This bill extracts $4.2 billion from Canadians who are already living in dire straits. It does it in two ways. First, it pulls out the government's $2.9 billion, money that the government properly contributes to compensate for regional disparities and to support fishermen. Aside from this legitimate government contribution, Canadians need to know that the unemployment fund is self-supporting. In fact, in recent years it has produced a surplus.

Now the workers who contributed to the unemployment fund when they were employed are being asked to pay for the economic policies of the government that have in the last five years increased the poverty of the regions of Canada outside major metropolitan areas. The remaining $1.29 billion of the government's $4.2 billion money grab will come directly from the insurance benefits of the unemployed. The minister has said repeatedly that the unemployed are not paying for training, but that is exactly where the money is coming from. Unemployed workers will do without food and clothes for their children so the minister can top up the training budgets that have been slashed by her government.

Again, those who can least afford it will be the victims. The poorest regions will lose the most. Workers in Newfoundland will lose an average of $2,400 while Manitoba workers with a lot less unemployment will lose less than half of that.

No doubt the minister expects that provinces and municipalities across the country will pick up the welfare bill—this at a time when the government is not meeting its commitments to cost-share social programs.

The best demonstration that this bill is about money, not people, is in the provision that allows the government to hound people for up to six years to collect overpayments of UI benefits even when it was no fault of their own.

This bill deliberately misleads Canadians about how it is going to spend their money. It says piously in clause 20 that it will spend no more than 15 per cent on training programs. But then later on in the bill it says that in addition to this 15 per cent the government can contract not only for the administration but for the establishment or operation of training programs. These are not subject to the 15 per cent limit.

This is an unending tap for privatizing the employment services of the Department of Employment and Immigration. It explains why the minister in her estimates to the House has not provided for one additional person to administer all these wonderful new programs. The minister wants to privatize services to the most vulnerable at the most precarious time of their lives—when they are out of work. It is not the role of the private sector to be concerned about developing the potential and the talent of Canadians. It is their proper role to produce goods and services and make a profit. It is the job of the nation to invest in its people.

I have said this bill will create a sub-class of Canadians, destined to move from one low paid unskilled job to another, from one community to another, serving the ever changing needs of the market-place, never setting down roots, never knowing stability in their lives.

The government has looked at the statistics. It knows there are fewer young people coming into the market-place and that a crisis is looming in the supply of new workers. It knows that 70 per cent of the jobs that will be in our economy are those that are low-paid, unskilled, unstable and part-time. Its answer is to assemble in Bill C-21 an arsenal of whips and bludgeons to beat into submission the unemployed who, to survive, will have to stick with such jobs with no hope for anything better, ever.

This bill damages people and the nation. The Tory agenda is determined to grasp every last dollar from Canadians—$6 billion through the GST, billions more through clawing back old age security, billions more in the government's failure to meet its commitments to fund education, social services and day care, and now another $4 billion from the unemployed.

The government is selling off or starving to death the institutions of nationhood. VIA Rail is gone, Air Canada is gone. The National Arts Centre is strangling. The National Research Council has been stripped of millions. This government is systematically dismantling the frame-

work of a fair, compassionate and proud nation. Bill C–21 is part of it.

[*Translation*]

Mr. Jean–Pierre Blackburn (Jonquière): Mr. Speaker, I welcome this opportunity to take part in the debate on Bill C–21, having been on the legislative committee that travelled across the country to hear witnesses who had something to contribute on the legislation. The hon. member opposite also was part of our group.

Mr. Speaker, during those three weeks we travelled across Canada and the other week where we heard witnesses here in Ottawa, we heard varying comments depending on group representatives who appeared before us.

On labour's side, many opposed the Bill. They welcomed the Government proposals that suited them, and wished they would be included in the legislation, with the money coming from somewhere else, and hoped that anything that did not suit them would be left out.

These proposals, or the trust of the legislation revolve around two things: First, re–allocating $600 million of funds to new benefits, including for instance maternity, parental and sickness benefits, and second, taking $800 million, also from the unemployment insurance fund, and re–allocate them to training. But what unions wanted initially was not training, they did not even want us to get involved with that, but gradually they realized this made sense indeed. But then they told us: Yes, we agree on training, but the $800 million you will take them from the Consolidated Revenue Fund. You realize, Mr. Speaker, that for the Government matters are not so simple. Taxpayers are fed up with constantly increasing taxes.

It is this Government's responsibility and our common responsibility to try and do more with what we have. The Federal Government now runs nearly 1,000 different programs across Canada. If each time we want to do something new we have to take additional money from the taxpayers' pockets, we and up with a monster that breeds deficits that can no longer be controlled.

This is the new direction and the challenge we face as Canadians and as a Government in this country trying to use available funds, re–allocating them so that they are more effective. This is what the Government is doing with the $800 million allocated to training. We take those moneys from the unemployment insurance fund, roughly $1,4 billion, and re–allocate them to more productive purposes. This is exactly what happens with those $600 million for new social benefits and $800 million for training.

Why are we putting $800 million into training? Mr. Speaker, why do we as a Government decide to use $800 million for training workers? Why do we not leave that to educational institutions?

• (1640)

For two main reasons, Mr. Speaker. By education, we mean full–time studies at high school, college or university level, which comes under provincial jurisdiction. But when someone drops out of school to get a job and becomes unemployed a few years later, we then talk about workers' training. There is a casual relationship between the two. You could pay people to stay home and do nothing when they would rather work. Or you could use those funds to help train them so that they can go back to work in the near future. It would be a lot more satisfying for the people involved.

This is an astonishing member, Mr, Speaker but 30 per cent of our young people are dropping out of high school. Obviously, if you leave school before completing grade 11 or 12 and get a job without training, what will happen to you eventually? You will lose your job and become unemployed. Recently, 50 per cent of the people polled by the Canadian Federation of Independant Business said it was difficult to find skilled workers. So you can see the link between the high school drop–out rate and the skilled labour shortge. We as a governement must do something. We cannot allow this situation to continue. So what are we going to do with the $800 million? Training programs will be implemented so that those young people can take courses for up to 106 weeks. They will be paid to attend school, and that is something they need. I think it is an excellent initiative. This is a major change of attitude on the part of the government and, under present circumstances, no one would dare argue against this basic principle.

Since I am talking about this training, I ought to indicate that our government has gone to the trouble of setting up five different groups responsible for determining what kind of training would be best. Consultations are taking place with management, labour and people directly involved to outline the nature of courses to be made available. The results of this ongoing study will soon be made public in five national symposia where people will consider how to allocate the $800 million and what kind of training is required to meet current needs. Again I would suggest that this new approach on the part the government bodes extremely well because it takes reality into account.

If I may say so, look at the region where I come from, Saguenay—Lac-Saint-Jean and the riding of Jonquière which I represent. Major companies are not hiring these days. What do they do? They use new technologies. People have to be properly trained to be able to apply new technologies in major industries. Ever more companies update their plant and equipment and people are thrown out of work because they do not have adequate training. It is up to us to take remedial action.

Mr. Speaker, the other major issue relates to the $600 million earmarked for new services or new benefits. We know that 42 per cent of women are now working, which means that 42 per cent of the labour force is made up of women, and this percentage can be expected to increase in coming years. As government we take into consideration the importance of the situation of a couple when the woman bears a child. That is what we did with the $600 million, we have almost doubled the benefits so that instead of only 15 weeks the mother will be entitled to 15 weeks of maternity leave plus 10 weeks of parental leave or 15 weeks of sick leave, at her discretion. In any case the maximum number of weeks will be 30, whichever type of leave she applies for. That is a definite improvement which takes into account the needs of our society.

I might add that I was among those who spoke openly in favour of extending parental leave because 10 weeks are not enough, especially when adopting a child and bringing him or her home.

We did experience some difficulty in the interpretation of the Charter of Rights and Freedoms, but we managed to find a way out: A family who adopts a child over six months old will be entitled to five additional weeks. But that is not what I would have liked. What I would have hoped for is 15 weeks automatically. But we were not in a position to do this under the current laws, the way the Charter is interpreted. We found a compromise which will now amount to 90 per cent of cases I think that this again is co-operate to effort in action by listening to people from across the land, we found a way to address the situation.

I would also like if I may, Mr. Speaker, to make the following point—What struck me in the arguments made by many is the parallel they were trying to draw between free trade and this unemployment insurance reform. It is important to realize that the situation is completely different in the United States and Canada. In the United States, the unemployment insurance fund amounts to some $22 billion Canadian, as compared to 12 billion in Canada. Let's put that in the proper perspective. They are ten times more numerous than we are. So, proportionately, they should have $120 billion rather than $22 billion. You realize that, proportionately, this does not make sense. And in the United States, there is a different unemployment insurance system in each and every state, whereas we have one employment insurance system for the country as a whole.

I could go on and on and on in this famous debate, and already you are signalling that I have one minute left only. We worked very hard across Canada. In this legislation we have taken regional unemployment rates inito account. In Toronto for instance, where jobs are more easily found, people have to work a little longer, they will need a larger number of weeks in order to qualify for unemployment insurance benefits. In some other area where the unemployment rate is high, the people there will not have to work as long. This is what we call the variable entry requirements which will now be illegible weeks.

I agree that an extra effort will have to be made everywhere. But look at past experience, Mr. Speaker. In 1978, and I am taking the example of the Maritime provinces, when the requirement was raised from 10 to 14 weeks, 87 per cent of the people found exactly the number of extra weeks they needed. This means that people automatically alter their behaviour when faced with the new requirement, and I believe our reform is

good and positive, so more so that we are getting into worker training, and this is important!

Mr. Pronovost: Mr. Speaker, I would like to address a few remarks to my colleague who, as everyone agrees, did a splendid job chairing the parliamentary committee on this important issue of Bill C–21, and more particularly on that aspect of unemployment rates which to me are crucial. Many people told us in the past that we should not take into account the fact that some areas are less privileged because there are unemployed even in regions such as Montreal or Toronto. However, my colleague made one thing very clear and I appreciated his saying in particular that, indeed, there is unemployment in Canada's big cities as in other regions, but the number of jobs available in large cities is relatively far greater than that available in small towns or villages. I would like my colleague to use as an example his riding that is part of a very dynamic region of Quebec and where there is unemployment as everywhere else in order to explain why somebody from an outlying Quebec region may experience more difficulty in the short term in finding a job than another Canadian with the same training and the same degrees would have in an area such as Montreal and Quebec.

Mr. Blackburn (Jonquière): I thank my hon. colleague for his comment. He is absolutely right when he says that the regional unemployment rate must be taken into account. In Newfoundland, where jobs seem more difficult to find, people will not be affected, or very little, by these changes because the unemployment rate exceeds 15 per cent in several communities. However, in Toronto, the rate varies between 3.5 and 3.7 per cent, which means that people will now have to work 20 weeks instead of 14 to be eligible for benefits. In my region of Saguenay—Lac-Saint-Jean, the unemployment rate is about 12 per cent according to the latest statistics, so people will have to work 13 weeks to qualify for unemployment insurance benefits. Hon. Members will know that a redrawing of the economic map of the regions is forthcoming. Everybody is expecting that. The way the various economic regions are classified now causes a problem because, often, it penalizes some areas. But there will be a redrawing soon. Some regions could benefit more than others, but at least the regional unemployment rate will be taken into account.

• (1650)

I would like to add a few words, perhaps, if my colleague allows me, on unemployment insurance and the funds we have.

Mr. Speaker, you know, we too would have liked to have $800 million more, but do you know what our debt is? It now stands at $324 billion. When a debt costs $100 million in interest a day, nearly $100 million a day, it must be looked into. To get an idea of what $100 million a day represents, Mr. Speaker, it is as if I took a list of 5,000 names, I drew the names of 5,000 Canadians by lot, and our Government sent them each a nice cheque for $20,000.

That is what $100 million a day in interest represents. And I could start over again every day, with a new list of 5,000 names. Imagine the situation we are in as a country! We must deal with it, administer, and manage the country and that is what we did with the unemployment insurance reform. We took $1.4 billion from the fund and reallocated it, taking account of the new requirements and Canadian reality.

[*English*]

Mr. MacWilliam: Mr. Speaker, my colleague on the opposite side of the House had earlier referred to the changes in UI with respect to the free trade agreement, trying to compare the two systems between Canada and the United States.

In making those comments he demonstrated what is really the hidden agenda in the legislative changes under Bill C–21. What we are doing is taking $800 million of government funding out of the insurance premium portion of the unemployment insurance program. By so doing the government essentially removes itself from active participation in the insurance portion of the program. The member opposite said that the participation rate of the United States government through its program is much, much lower when we compare it to the Canadian program. That is the very essence of the argument.

The fact is what we are seeing with these legislative changes in the UIC bill is a harmonization, a watering down if you like, a lowering of the level of Canada's program for unemployment insurance to that more comparable to our neighbours to the south. What we are seeing with these changes to the program is a result, I submit, of living in the post free trade reality. The UIC

program, as we well know, was for some time being fingered by our U.S. counterparts as a potentially unfair trade practice, when looked at in those terms. By removing itself from the funding level, I believe this government is hoping to remove the threat of countervail under the reality of the free trade agreement.

Let there be no mistake. These changes are a harmonization of Canada's unemployment insurance program in a post free trade reality, a complete capitulation of what is a very important social service program in order to harmonize it with a less structured program in the United States. Let us call a spade a spade.

[*Translation*]

Mr. Blackburn: Mr. Speaker, I will answer my colleague by giving him some figures.

Depending on the various state formulas used in the United States, benefits are about 50 per cent of earnings. The basic minimum weekly benefit is between $5 and $62, while maximum weekly benefits range from $95 to $330.

I am told that in half the United States, it is $70 or more, which is the average, while here in Canada, Mr. Speaker, benefits are 60 per cent of insurable earnings and the weekly maximum is $318.

I think these figures show my colleague quite clearly that there is no parallel between the two. If he wants to take the United States as an example, he will realize that they are quite a bit worse off than in Canada. Furthermore, our system provides social benefits that they do not have in the United States.

[*English*]

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso) Mr. Speaker, I want to say in addressing this question of the legislation, Bill C–21, that there is an air of fatigue and resignation in this House as we consider third reading of this bill. I suggest that the resignation mirrors, to some extent, the resignation of the people of Canada as they confront the harsh realities of this government.

In Atlantic Canada where I come from there is a feeling that we have been the victims of a saturation bombing by the government on programs that we had a right to expect would continue. For example, recently VIA Rail has been dismantled in Atlantic Canada and in other parts of Canada. We have witnessed a complete retreat on regional development programs. We are now seeing a crisis in the Atlantic fishery with the Minister of Fisheries and Oceans denying that it exists in flagrant violation of the fact that very shortly there may be major lay-offs in the fishery.

The government now introduces this bill, this regressive piece of legislation, and does not listen to Canadians. It did not listen to Canadians when we travelled across the country in September with this committee. It was clear that despite the fact that 157 of the 202 briefs condemned the legislation, asked that it be withdrawn, the government reacted by saying: "We are going forward. There is no reason for us to listen to this testimony. We have heard it before, and we are not listening to it".

There was a sense that the government does not care what Canadians think about Bill C–21, about the increases in the taxes to which we have been subjected, culminating in this dramatic goods and services tax. There is a feeling among Canadians that the government does not listen. Not only did it not listen to the committee, or to this House or to Canadians, we have recently found that it does do not listen to the courts either.

[*Translation*]

Mr. Speaker, this afternoon the unemployment action group held a press conference to set the record straight on something the Department of Employment and Immigration had denied regarding the implementation of a Federal Court of Appeal decision on vacation pay and severance pay.

Two weeks ago, on October 11, my hon. colleague, the Member for Eglinton—Lawrence, asked the Minister of Employment and Immigration Minister of State if her Department would implement the Federal Court of Appeal ruling concerning vacation pay and severance pay. She said: "Yes, we will implement it. We disagreed at first but now that we know how to interpret the ruling, we will implement it." That decision affects $100 million in benefits. We found out today that the Department has not implemented the ruling and is now introducing regulations to circumvent it. That is how this government works. She denies everything and refuses to listen to Canadians, the courts and the other members of the Committee. How can we

help feeling frustrated or resigned when dealing with this kind of government!

[*English*]

In the minister's perfunctory conclusion to her remarks this morning she mentioned a few aspects of the legislation, such as how this was going to respond to the Charter of Rights provisions which, as you know, Mr. Speaker, were required, and that was going to create training. I wish I had more time to explain the way in which these training funds are being reacted to in the rural parts of this country. It is a joke. Parts of the country where the private sector is limited at best cannot respond to the provisions of training that are in this bill. What is going to happen is that we are going to be denied benefits, on top of the fact that our entrance requirements are going to increase. The unemployed are going to be shut out of benefits, out of training in the very regions where they need them.

Mr. Deputy Speaker: The member will be allowed to complete his speech on Monday if he wishes.

[*Translation*]

I have received from the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) written notice advising me that he will be unable to introduce his motion during private members' hour on Friday, November 3, 1989. Since we could not, pursuant to Standing Order 94, arrange for an exchange of positions in the order of precedence, I am ordering the Clerk to drop this item to the bottom of the order of precedence.

Private members' hour will then be cancelled and, pursuant to Standing Order 94, the House will continue with the business at hand prior to that hour.

[*English*]

It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

COMMUNITY DEVELOPMENT PROGRAMS

JOB OPPORTUNITIES

Mr. Ray Funk (Prince Albert—Churchill River) moved:

> That, in the opinion of this House, the government should consider the advisability of encouraging and building community-based investment and job initiatives through community and worker co-operatives, community development corporations, regional councils, small businesses and farms and municipal governments.

He said: Mr. Speaker, I very much appreciate the opportunity that is given to us as private members to bring a motion before our peers and to get their judgment on whether what we are proposing has merit and if it is something that we should all develop a consensus around and make our voices heard.

I would like to begin by outlining some of the remarks I made when this particular motion was being considered by the committee which decides whether or not it will be a votable motion and have five hours of debate. We had very good discussions at that committee and I appreciated the discussion. I can also appreciate that another member's motion won the day, but nevertheless I would like to inform members that the members of that committee were very interested in the proposal I was making.

The five reasons why I thought this should be votable and should have a five hour debate are the following. First, I find that often economic debate in this House is very sterile, is often very polarized, it pits a vision usually imputed from one side to the other, with big government on the one side versus unfettered free enterprise on the other. There are an awful lot of nuances and an awful lot of things we all actually might agree on that are lost in that kind of a polarized debate.

Second, what I am describing in this motion is national in scope. There are co-operative and community development organizations actively involved in virtually every community in this country. Every member of this House,

at some point or other during their career, comes into contact with them probably on a regular basis. Thus, this is a motion that personally affects every one of us as members of this House.

Third, in the spirit of the times, the government has said, and we have to accept it because it has a majority, that this is a time of deficit reduction, when moneys are not available for different projects, economic development projects and community projects, as worthy as they may be.

In light of that we need to take a more positive approach and encourage those community-based ventures that rely on the capital, the effort, the wisdom and the resources of the community to pick up the slack for the unavailability of funds from government sources in many cases.

Fourth, I would have liked to have given the minister of state for co-ops an opportunity to participate in this debate. A lot of people do not know even that there is a Co-op Secretariat that functions within the Government of Canada, that it does have a responsible minister, the same minister who is in charge of grains and oilseeds and western diversification. It would have been useful for that minister to have had an opportunity to stand in the House and explain to members of Parliament what in fact the Co-op Secretariat does, what its projections are and how we, as members, could support the efforts of that secretariat.

Last week there was a federal-provincial meeting of ministers who have responsibility for the co-operative sector, both federally and provincially. I understand that it was a very fruitful meeting because worker co-operatives got identified as a priority. I might add, not perhaps in a partisan way but just to note it, that given the statement this morning of the hon. member for Surrey on housing, I respectfully hope that worker co-operatives will not fare the same way as a priority of this government as co-operative housing has which also at one time was a priority of the government.

The fifth point that I raised with the committee is worth noting. There is no focus for community development efforts within the government, or even within this Parliament, or any place where self-reliant, self-help, local kind of initiatives are discussed, analyzed, and the results of that analysis brought to bear on a wide range of government policies. That is a perspective that has been lacking in many cases since the late seventies. The last body that I know of that had any formal existence along these lines was the Canadian Council on Rural Development which was disbanded in 1979.

My own interest in this area comes very much from my personal background, before I became a member of this House 11 months ago. It comes very much from my parents and I would like to acknowledge that in this House. My father was the chairman of the Laird Saskatchewan Wheat Pool committee for 42 years, from 1946 to 1988. He was a board member of the Laird co-op, the Rosthern co-op, and was a founding member of the Sask Valley Credit Union in Rosthern, so that was always very much a part of our life. I am a co-op shopper and not ashamed to admit it. I buy co-op every chance I get.

My mother comes from a family active in founding and perpetuating an organization called Mennonite Central Committee which has developed a sound reputation in community development, both within this country and in many other countries around the world. With that kind of influence as I was growing up, I could be very little other than the co-operative and community development critic for the New Democratic Party.

After spending 10 years in adult education, in 1985 I established a company called Spruce River Research, a private company that did independent research and training in economic development, most of it in northern Saskatchewan. Through that, I had experience in working with northern communities in my constituency as they, first of all, analyzed their own situation as to where they might go in the future and how they related to funding organizations like the Canadian Jobs Strategy, NEDP, especially ERDA and the regional development agreements. Two, I might note, were very helpful, the forestry agreement in Saskatchewan and the Northern Economic Development Subsidiary Agreement, NEDSA. Both of these agreements lapsed at the end of the last fiscal year on March 30 and have not been renewed, nor is there any replacement. I regret that very much.

I would like to say in a broader framework this is a fundamental issue. In many ways, this country has been plagued for a long time with trends that we are perhaps even widening the gap between the "have" and the "have nots" in this country. Concentration of wealth is indicated in books like *The Vertical Mosaic*. The Cana-

dian establishment is a characteristic of this country that probably none of us are terribly proud of.

I might point out in that regard, just by way of contrast, that the 12 million co-op members in this country control $68 billion worth of assets, while the 10 richest people in this country control $31 billion worth of assets. So those 10 people control half of the assets that the 12 million co-op members do through their co-operative organizations.

It is starting to be recognized, and I and many of my colleagues have done what we can to point out that the "have" and "have not" syndrome in this country is starting to become much more regionalized than perhaps it used to be.

The lead story in the Canadian section of *Maclean's* of October 23 states:

> Fragile Roots. Canadians in the Country Feel Abandoned by a Government More Attuned to Urban Voters.

In that article, it states:

> Indeed, some critics among the one-third of Canadians who live in communities with fewer than 10,000 people say that government policies designed to cut the federal deficit threaten to destroy the country' hinterland communities. They cite a host of recent initiatives: cutbacks in VIA Rail; closing of rural post offices; tightened unemployment insurance rules; shuttered military bases; and reduced regional development grants. And more blows may be in store they say, pointing to the threat of reduced regional CBC services and cutbacks in federal crop insurance and freight subsidies.

• (1710)

I might add that since then there have been three added to the list: Canada Post increased the freight rates for fly-in food to fly-in communities by 30 per cent; the northern tax benefits look as if they might be taken away, at least a task force has recommended that they should be; and the implications of the changes in the Railway Act as they impact phone service across the country will make it much more difficult for people in isolated areas to have the kind of phone service that you need to participate in any meaningful way in a modern economy and in a modern society.

This is not a hopeless situation and that is why I am proposing this motion and not in any sense of partisanship. Even if members opposite do not accept the full analysis that I presented and indeed, that *Maclean's* reported, I think it is still possible for members looking around their communities and constituencies to realize that there are some opportunities to make progress that are not being realized.

This is particularly true with respect to co-operatives and community development, the small business sector, and the municipal sector that I identified in the motion. The reason it is not hopeless, and the reason I think this is something we need to look closely at, is because Canada is considered to be a world leader in the areas of co-operative and community development.

People come from all over the world to places like Antigonish or Memorial University or the University of Saskatchewan. Visiting parliamentarians are often very interested in our regional development programs. We are a world leader recognized around the world as having something to say in this area. That is a tribute to the people who have worked very hard in those communities over the years in the co-op sector, the Desjardins credit union movement, the Antigonish movement in the maritimes, the prairie pools, the Federated Co-operative Organization, and the credit unions. All those organizations that are now 12 million strong are organized in the Canadian Co-operative Association.

Many were established in the thirties as a result of economic problems then, but there have also been new frontiers in the co-op area. In the area of housing there are 1,400 co-op housing developments in this country at the present time, in spite of the struggle they have had for recognition. They are functioning very well and are providing an alternative for people who need low-cost housing. Worker co-ops are something we need to get into very I want to refer hon. members to the region of Montragon in Spain which has developed a very modern efficient and competitive economy based on interlocking co-operatives. That is something that all of us should be more aware of.

In our own country we are seeing, for whatever reasons, and in the spirit of non-partisanship, I do not want to dwell on the reasons, but there are profitable businesses in this country that are being closed not because of non-profitability or because the people are not doing a good job, but because of decisions being made elsewhere. We need a vehicle to maintain those jobs and industries in those communities. Worker co-operatives are a positive alternative and the government

itself has recognized that is an initiative it wants to pursue.

In the area of health, we have a very active co-operative health centres in Prince Albert which was one of the first. I might acknowledge my wife is on the board. There has been a recent study released, after the Saskatchewan government sat on for about seven years, that said that the cost of maintaining the health of the residents of a region could be reduced by as much as 25 to 30 per cent if the co-operative health model were adopted in other communities. We have also seen people struggling hard to provide day care for their children, even though it is often financially difficult and there has not been much support. People have used the co-operative vehicle as a way to mobilize their resources to provide that very valuable service.

As well, in northern Canada there are Arctic co-operatives. When we actually went through our list in my own constituency I was somewhat surprised to learn that there are 25 fishermen's co-operatives, a legacy of the organizational efforts of people in the 1950s. There are also consumer co-operatives. There is a very active co-operative movement right through northern Canada.

I would like to also recognize the community development movement in this country, through places like Memorial University, the Council on Rural Development, a Topshee Conference which I had the opportunity to attend at St. Francis Xavier University earlier this year which gathers together people in the maritimes interested in community development. There is a group with the "Garfieldesque" name of ARG, the agricultural and rural restructuring group which recently had a conference in Saskatoon which I attended. Academics, community activists, and the president of the Canadian Federation of Agriculture were there. There is a real coming together in this country of community development thinking, especially as it applies to the rural area which I am very happy to see, and I think it would behove all members to support.

I would also recognize some of the very positive initiatives that all members can support in the Indian community through the organization of economic development corporations. One which was recognized at that conference and in fact received the award as the fastest growing small business in Saskatchewan last year is an organization called Kitsaki Development Corporation, the development arm of the La Ronge Indian Band. This organization had sales last year of over $10 million, and is a very credible actor in the economy of northern Saskatchewan. They are owners of a hotel, they have a joint venture with Trimac in the trucking business, northern resource trucking. They are very carefully picking their spots, their strategic investments, and are doing an excellent job. The most recent product that they have just brought to market in a very exemplary way is the use of wild rice and pasta. I am informed that it is difficult even to get it in Prince Albert because the American market is gobbling it up faster than they can produce it. So in the interests of making the government look good on free trade, here is an opportunity to support a way to do that.

In closing, I would like to say that the motion I am proposing here I would like hon. members, especially members of the government, to look closely at. This is not a partisan motion. It is not calling on the government to spend money. It is not even calling on the government to make steps one, two, and three. I have ideas of my own about that and other members do. I am trying to communicate through this motion and the reason I am asking members to support it, is that we need an awareness of the problem, but also of the solution. It is not a big government solution. It is a community solution. I would ask that government members and all members pay attention to it and support this resolution.

In closing, I would like to read the motion I am asking members to accept:

> That, in the opinion of this House, the government should consider the advisability of encouraging and building community-based investment and job initiatives through community and worker co-operatives, community development corporations, regional councils, small businesses and farms and municipal governments.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I appreciate the opportunity to address this motion which recommends that the government encourage community-based investment and employment through local co-operation among governments, small business, and employee groups. This is the kind of approach which many communities urgently need. Let me add, this is precisely the approach the government has taken and will continue to take in the future.

Anyone who is familiar with the programs of Employment and Immigration Canada knows that these programs are designed precisely to stimulate local involvement and initiative. The Canadian Jobs Strategy introduced four years ago represents a fundamental break with the Liberals piecemeal Ottawa-controlled approach to meeting local needs.

The 1989-90 budget of the Canadian Jobs Strategy is $1.77 billion. It covers a range of activities to enhance the skills and employment of several hundred thousand Canadians a year.

• (1720)

The new Labour Force Development Strategy, the government's response to evolving skill demands and increased global competitive pressures, builds on the same base as the Canadian Jobs Strategy.

Passage of the current legislation before Parliament would make an additional $800 million available for training, as well as such active measures as mobility and entrepreneurship.

We have placed the management of our programs very much in the hands of the people in the community. By turning the decision-making and budgetary reins over to those most affected at the point of contact the Canadian Jobs Strategy has ensured that its programs operate with the maximum impact and cost-effectiveness.

The government has adopted a realistic, workable approach based on programs with the flexibility to vary as local needs vary. Whether it is the closing of a vital plant, the sudden need for employee skill upgrading, or the relentless market change for products no longer in demand, the Canadian Jobs Strategy provides a framework for people in the community to apply their insight, initiative and imagination to deal with the challenges at hand.

Local planning by local people working together is the approach, and the important co-ordinating element of this approach has been the participation of local advisory councils. These councils include representatives from business, labour, government, educational institutions, and special interest groups. Local advisory councils familiar with their local labour markets provide advice so that local priorities can be synchronized with a range of proven government programs available to help small communities.

A program that lends itself to local decision making is the Industrial Adjustment Service which has a renowned record for bringing employers and employees together to solve such problems as obsolete skills, the need for new technology, human resources planning, and possible lay-offs. The IAS signs about 500 new agreements a year. In the last year alone, more than 300,000 Canadians benefited from the Industrial Adjustment Service.

When an IAS agreement is signed, a local IAS committee comprised of equal representation from labour and management, immediately commits itself to solving identified human resources problems. IAS pays up to half the costs of the committee and provides technical advice, information about government programs, long-term planning and, if necessary, explores employment alternatives for threatened workers.

This approach has been so successful that the IAS has been copied by several other countries. The Labour Force Development Strategy announced by the minister in April, proposes to double the budget of this program to $30 million.

I would also like to provide members with a brief description of some of the components under the Canadian Jobs Strategy which are at the disposal of local business and industry.

The Community Futures Program is another initiative that is operating effectively in every region. This $134 million program is currently helping about 200 smaller rural communities across Canada. Community Futures assist people to develop their own answers to the unemployment and economic hardships which often occur in small remote communities and single industry towns. This program is flexible and responsive to input from those who live in and understand the area.

Community Futures incorporates four options. One of them, business development centres, offers locally managed technical and advisory services to small business and developmental loans up to $75,000.

Within a more individual frame of reference, the self-employment incentives program provides $180 a week for a year to help unemployed persons to start their own business.

Another option, the community initiatives fund, matches support from other sources for local projects by local people designed to generate new and permanent jobs.

Finally, there is relocation and travel assistance which provides up to $5,000 to help unemployed people to find work in another community.

In other countries self-employed and entrepreneurship programs have produced significant results, helping many individuals and communities achieve self-sufficiency and prosperity. In Canada these programs have been especially successful among the social assistance recipients, turning welfare cases into business people who not only support themselves but also create jobs for other Canadians. This kind of success is why the Labour Force Development Strategy will be supporting more Canadians who choose to take the plunge and work for themselves.

I must add that under Bill C-21, the government is also enhancing relocation assistance for unemployed Canadians who want to move to areas with more job opportunities. We are extending the concept of capitalizing unemployment benefits for this purpose providing up to $15,000, a figure that more accurately reflects the cost of moving a household today to help unemployed people go where they want to work.

Through the Labour Force Development Strategy, these vital self-employment and mobility programs will be significantly reinforced.

There is another program that also serves to support the local enterprise. The Innovations Program is a Labour Market Research and Development arm of the Canadian Jobs Strategy. Under Innovations, test models have been particularly effective in creating economically viable employment avenues for disabled persons, aboriginal people, visible minorities, social assistance recipients, and young people encountering difficulties making the transition from school to work.

A good example is the Youth Employment Skills Program. This program was tested in Halifax and St. Catharines, Ontario, in Winnipeg, and in Vancouver before incorporation into the broader Canadian Jobs Strategy Program framework. A $4.3 million Innovations contract funded the test phases and produced English and French versions of the Youth Employment Canada curriculum.

These examples illustrate the approach that the government has committed itself to fostering local co-operation to produce local solutions to local problems. It is a coincidence that since 1984 employment has risen in every region of Canada, in fact, in seven provinces by more than 10 per cent.

I am sure many members of this House are aware of what has been accomplished and why their constituents, during the last five years, seem to be quite pleased with what we are doing.

As the motion states, investment and initiative should come from labour groups, economic development corporations, councils, small business, farmers and local government offices in communities across Canada.

In this regard, the industrial adjustment service, Community Futures, and other federal government initiatives, under the Labour Force Development Strategy, are establishing a co-operative, pro-active framework to deal with the inevitable industrial and sectoral adjustments at the local level. Their success in revitalizing companies and communities is directly related to the involvement of the very people in the whole exercise who matter the most: The local employers, workers, representatives, and community leaders.

That involvement by Canadians is a primary reason for the economic progress which has defined this government's economic stewardship.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my comments are going to be very brief, but I felt that I should rise this evening and speak to the motion that is before us.

My first reaction was that it was very philosophical and idealistic, but on the other hand, I started thinking back exactly the things that are being mentioned in the motion this evening. Co-operatives are not something new in Canada. Co-operatives have been around for as long as I can possibly remember, whether it is in the housing market or whether it is in the food industry or in the farming industry, and there have been many of them. The co-operative industry is something that Canada has based itself on for these good many years and has grown the stronger because of it.

The reason I felt that I should speak this evening was because the hon. member mentioned the regional and municipal governments and how they should be involved. My background is 10 years in that area. I know

that municipal governments have been involved. However, municipal governments are restricted according to the municipal act. They are not allowed to put an infusion of their own moneys in to create jobs in their own municipalities. The money has to come from either the provincial government or the federal government.

• (1730)

Historically both levels of government have provided municipalities with moneys and job creation programs. This is nothing new. It is something that municipalities have taken advantage of for a good number of years.

The major problem that municipalities have been faced with over the years in this area is the fact that the governments provided this infusion of money, put up the money for a capital project and then withdraw its support. The municipality is left holding the bag. Who carries the operating costs? All of a sudden the municipalities have a project that is under way and they are having to draw from a tax base that is only coming from the property tax.

One program I would like to mention that is absolutely deplorable, that is presently in place by this government, is called "project haven". It comes under the Canada Mortgage and Housing Corporation. The corporation puts up the money for a co-operative venture or a municipal venture to build a home for battered women in Canada, but it only provides the capital cost. Then the organization is left with the possibility of trying to raise money and trying to gather funds together. On average, a project of that nature needs approximately $300,000 a year. It is very difficult in today's age to try and fund raise $300,000 a year by a hand full of volunteers. Yet the need for this project is great in Canada today. I strongly suggest that the government start moving to provide operating funds for that.

The private sector and the entrepreneurial spirit have always been very much in the forefront in Canada. Again, they have in many instances relied on government for this infusion of money. This was started by a Liberal government, not by a Conservative government. We were the ones that made the road marks in this area. Again this is not something new.

I commend the member for bringing this forward. I just think that we have to carry it a little bit further. We have to document this a little further. We have to see where these funds are going to come from and be more specific. Let us not chop it off at the knees and leave somebody holding the bag.

We talk about the economy, job creation and the environment. The infrastructure program should be in place across this country today, and it is not. Jobs would be created and protection of the environment would happen, yet this government refuses to put any money into that program. This was something that since the 1930s was supported by a Liberal government. It was a tripartite agreement.

Our Trans-Canada Highway was built by the federal government. Once it was built it was handed over to the province. It is falling apart. It needs three levels of government to maintain it. There are cities and towns that have no sewage treatment plants. Our rivers, lakes and oceans are being polluted.

I ask the government to take action. Let us create jobs in this country. Let's protect our environment. I applaud this motion, but let us make it a little tighter.

[*Translation*]

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I welcome this opportunity to speak to the motion of the Hon. Member for Prince Albert—Churchill River and to my government's policy of assisting farm operations. Since the Hon. Member's motion is rather long and varied, I would like to discuss my government's concerns and what it has been doing for the agricultural industry.

As an example of the government's understanding of the essential role played by the agricultural sector in our economy, I may mention that on October 4 this year, our Prime Minister, the Minister of Agriculture, the Minister of State (Agriculture) and the Minister for International Trade (Messrs. Mulroney, Mazankowski, Blais and Crosbie) met Mr. Jacques Proulx, president of the Union des producteurs agricoles, the UPA executive and a number of senior officials of his organization.

Mr. Speaker, as you know, our government, with the United States, has been vindicated in the yogurt and ice cream case at GATT. Our government has just delegated a commission, chaired by the president of the Canadian

Federation of Milk Producers, Mr. Claude Rivard, and as you know, the GATT negotiations on this matter start on Monday. We are trying to strengthen GATT article 11 which will allow our milk producers in Quebec to expand and maintain their position.

As you know, the agricultural sector does a lot more than feed the country. It employs one-seventh of Canada's labour force, requires considerable investments and is responsible for exports totalling billions of dollars.

Farm producers and the agri-food industry contribute very substantially to the prosperity of this country, and that is why the government is monitoring developments in this sector very closely.

In fact, we believe the government has done more than its share to enable the entire agricultural sector to maintain its strength, despite all the problems it is facing. Our support has been unflagging, and some excellent examples are the Special Canadian Grains Program and the Canadian Crop Drought Assistance Program.

During the last four years, over $16 billion has been invested by the government in agriculture. If we were not convinced of the importance of this sector, we would not have done twice as much for the industry as the previous government during the last four years of its mandate.

Our programs are based on a number of different perspectives. Above all, however, they are comprehensive and support the development of all intervenors in the industry.

Mr. Speaker, I have some more examples to show how we support Canadian farm producers.

First, the national farm products marketing development project which subsidizes research and marketing, new product development, marketing studies and development of marketing strategies.

Our purpose is to help Canadian products win a greater market share, both domestically and internationally.

This plan covers up to 50 per cent of the costs for non-profit commercial organizations and affects all production sectors.

The purpose of the production development assistance project is to stimulate the economic development of the agricultural sector by granting financial assistance for specific projects for developing and upgrading human resource.

Under this project, $9.5 million will be allocated this year. Part of this amount will go to fairs and exhibitions, among others.

For farmers in financial difficulty, the Government set up the Farm Debt Review Board Program. Through mediation, these boards help reach agreements between all parties so that the farmer can continue operating or liquidate his assets in an orderly way.

In three years, 7691 applications were considered by the Farm Debt Review Boards. Agreement was reached in 5143 cases, a success rate of 67 per cent. Note that the boards do not impose rules but rather use a mediation process to reach agreement amicably.

Finally, despite the dynamism of the industry and the efforts of the Government, some farmers must give up farming. For them, we created the Canadian Rural Transition Program. Thanks to this program, farmers who are forced to quit farming can more easily go into other fields.

Concretely, this program provides, for example, a transition subsidy, financial aid to pay living expenses for a certain period, help in seeking employment and assistance for all training-related expenses. It also provides employment as well as, legal and financial information.

• (1740)

So far 2,869 farmers have benefited from the program to the tune of an average $6,600 per person.

Mr. Speaker, the government is not content to sit on its laurels. Now is the time to secure a stable and strong future for the agricultural sector. That is why we have launched an in-depth study of the national agricultural policy.

This study will enable the Canadian agri-food industry to remain active and successful in the future by taking advantage of a fast-changing and increasingly global market and of the opportunities arising from the Canada-U.S. Trade Agreement, by facing up to the new environment resulting from the Multilateral Trade Negotiations and by seizing the opportunities offered by Europe after 1992 and the growth of the Asian and Pacific markets.

That study will allow us and all interested parties to share a common vision and to reaffirm our determination even our commitment to meeting consumer demand, especially for healthy and nutritious products.

Yes, Mr. Speaker, our government is committed to maintaining a strong and healthy agri-food industry in Canada. To that end, we will establish a national strategic framework for developing policies based on Canadians' own characteristics and success stories while keeping a confident vision of the future.

[*English*]

Mr. Jack Shields (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I am indeed pleased today to have this opportunity to talk about workers' co-ops and the work that this government has been doing with the co-operative sector.

Co-operatives are an important sector of the Canadian economy. There are approximately 12 million Canadians who are members of co-operatives whose combined assets are more than $70 billion and who conduct $14 billion in business every year.

There are co-ops in every part of Canada and in virtually every line of business. They are indeed major players in the grain trade, the dairy and poultry industries, and banking. They are also active in fisheries, housing, child care, health care and many other fields. Some of Canada's largest businesses are run by co-operatives. The Saskatchewan Wheat Pool, for example, Canada's biggest co-op, ranks sixty-sixth on *The Financial Post*, 500 listed for 1988. There were also 17 other co-ops including the Alberta Wheat Pool, United Grain Growers, Manitoba Pool Elevators, and several dairy pools among the 500 companies listed.

Co-operatives perform even better on *The Financial Post* ranking of financial institutions. It might surprise the House to learn that there were 19 credit unions in *caisses populaires* among the top 100, with the Desjardins Confederation in sixth place over all.

In 1988 a co-op opened Canada's first heavy oil upgrader in Regina. This major undertaking opened on time and within budget. All this proves that co-operatives are viable enterprises that are able to compete with private sector corporations. They compete not only in agriculture and banking but also in fields such as forestry, fisheries, retailing, petroleum, fertilizers, building material, and machinery sales. They are also active in services such as child care, health care, housing, communications, and even funerals.

Speaking of child care co-ops, they were the subject of a recent study by the federal government's co-operative secretariat. This study found that child care co-ops offer significant benefits for parents and their children. They encourage parental involvement in the education system, provide cost effective quality child care, and offer development and opportunities for both parents and the child. According to this study there were 469 child care co-ops in Canada in 1986, with 19,603 members and 944 staff. We can expect to see more co-operative day care centres in pre-schools in the future.

This government has taken an active interest in the co-operative sector. In 1984 the Prime Minister appointed the Minister of State for the Canadian Wheat Board as minister responsible for liaison with the co-operative sector. In 1987 the government established the co-operatives secretariat to act as a focal point for the government's relations with the co-op sector. Then we set up the minister's advisory committee made up of senior representatives of the sector. This committee advises the minister on the potential impact of government policies and programs on co-ops. To complete the infrastructure this government created the interdepartmental committee. This body co-ordinates government activities in relation to the co-op sector.

The government set up the infrastructure but it did not stop there. The minister has co-hosted three federal-provincial territorial conferences of ministers responsible for co-operatives. That is action. The first was held in Regina in 1985, the second in Ottawa in 1986, and the third in Halifax in 1988. Recently the minister held the fourth conference in Montreal.

What makes the Ottawa member's motion especially timely is that the ministers discussed workers' co-ops at their latest conference. Last year in Halifax the ministers directed their officials to work together with officials of the co-op sector to develop a strategy for the development of workers' co-ops. The federal minister responsible for co-ops said on that occasion that workers' co-ops "would create jobs and give people a chance to become involved in making business decisions". He also said it

was important for governments at all levels to develop policies to meet the needs of workers co-operatives.

Workers co-operatives are businesses owned and directed by the people who operate them. In 1988 there were about 450 worker co-ops in Canada, more than double the number operating four years earlier. These businesses provide employment for about 15,000 Canadian men and women and had sales of well over $100 million.

Allow me to provide you with some examples of successful workers co-ops. In Montreal, Harpell Press has been run as a co-op since 1947. It is one of the largest workers co-ops and prints in the Canadian edition of the *Reader's Digest*. Another Montreal co-op organizes northern adventure trips and mountain climbing courses. In the maritimes there is a very active co-op making Acadian hooked rugs. In British Columbia a new co-op specializes in desk top publishing.

Printing, baking, forestry and construction are just a few of the industries where worker co-ops have traditionally been active. In recent years some workers' co-ops have successfully established in the high technology field of computer software. In 1988 workers' co-ops moved into some new areas including two home health care co-ops in Nova Scotia, the Co-operative of Organic Food Growers in Prince Edward Island, and a health food co-op that sells meat from animals nourished with feed free from sprays and pesticides.

There is really no area that is not suitable for workers co-ops. Theatre, taxis, ambulance services, ventilation equipment manufacturing and building maintenance are some of the other enterprises run by workers co-ops. Many Canadians and their communities are highly dependent on a single industry. For them, finding a solution to plant closures is a top priority. Workers' co-ops can often provide that solution. That is why the federal, provincial and territorial governments are interested in encouraging their development. A recent study in New Brunswick and Nova Scotia indicates that workers co-ops actually have a better chance of survival than conventional businesses. According to this report, 58 per cent of the workers' co-ops are still in business after six years. This compares well to the 70 per cent to 80 per cent failure rates typically reported for Canadian business in their first five years.

• (1750)

I would now like to discuss the strategy process that was set in motion at last year's Conference of Ministers that was held June 14 in Halifax. Immediately following the conference, a committee headed by the federal government's co-operative secretariat, including representatives of all 10 provinces or provincial governments and the Northwest Territories, was established and began holding meetings to draft the strategy. The co-operative sector was invited to make its views known and to offer suggestions. The committee delivered its proposed national strategy for the development of workers' co-operatives on January 3, 1989. The report made three levels of recommendations.

Level one calls on governments to "provide equality of treatment" by amending legislation, regulations and policies to eliminate factors that limit the development of workers' co-ops.

Level two recommends that governments "provide equality of opportunity" by making legislative provision for the transfer of incorporation from a company to a co-op.

Level three proposes that governments "provide positive encouragement to the creation of workers' co-ops".

The minister recognizes that governments can provide an environment that enables co-ops and private enterprise to compete as equals. At the conference on October 20 he and his provincial counterparts studied the recommendations and discussed the follow-up to the national strategy to ensure that this type of environment exists. Some provinces have already done what the report recommends, while others are moving in that direction.

As a result of the minister's consultations the national strategy is now closer to implementation in all provinces. The federal government's co-operative secretariat will now undertake bilateral negotiations with the provinces to further advance the process.

This is not just a provincial matter, and I think all members in this House recognize that. The federal government is also responding to the report's recommendations: $5 million from unemployment insurance is being spent on research into the development of workers' co-ops. In addition, proposed changes to the unemployment insurance program are designed specifically to assist the capitalization of workers' co-ops. The

co-operative secretariat is studying the implications for the federal government of implementing the recommendations.

In conclusion, let me say that the hon. member has raised an important issue. I want to congratulate him on doing so. The record shows, though, that this government has done a lot to assist the development of the co-operative sector and the worker co-ops in particular.

I see you signalling that my time is up. I just want once again to congratulate the hon. member for Prince Albert—Churchill River for bringing forth his motion to the House for discussion and deliberation. If he listened carefully to what I had to say today, I think he would understand that this government is leading the way and taking its responsibilities for workers' co-operatives very seriously, indeed as the history of this government and the initiatives that we have taken since taking office in 1984 have shown.

[*Translation*]

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I am pleased to deal tonight with the motion moved by the Hon. Member for Prince Albert—Churchill River (Mr. Funk) which reads:

> That, in the opinion of this House, the government should consider the advisability of encouraging and building community-based investment and job initiatives through community and worker co-operatives, community development corporations, regional councils, small businesses and farms and municipal governments.

In short, Mr. Speaker, our hon. friend would like the Government to do more and provide co-operatives and other organizations with more money. Therefore, I suggest it might be interesting to look at co-operatives, because this is one of the key sectors in our economy today. For instance, financial co-operatives credit unions co-operatives and the so-called *caisses populaires* have approximately 9 million members in Canada with assets of over $56 billion. Insurance co-operatives, with assets of about $5.4 billion cover 9.5 subscribers and the co-operative trust companies administer nearly $17 billion in assets. This indicates just how strong the co-operative movement is in Canada. In the financial sector there are no less than 3,859 co-operatives with a total membership of nearly 3.1 million and combined assets of nearly $7 billion. This accounts for $14 billion in economic activity in this country.

Mr. Speaker, newly-formed groups of workers and financial services as well as the ever growing number of sectors where the co-operative principles are being applied constitute a growth factor in the Canadian economy. Ever since the members of the British Rockdale movement first stated the principles of co-operation nearly a century ago, the suggestion that ordinary people should work together to meet their own needs has gained currency the world over, so much so that nowadays we have co-operatives actively engaged in practically all sectors of our society. People turn to the co-operative movement to obtain day care services, health services, food or accommodation. The movement has even gained a toehold in the labour market. Let us take forestry co-operatives as an example. There is one in the riding of Jonquière which I proudly represent in this House. I am referring to Laterrière's forestry co-operative, a group of people who got together to develop their economy and improve their working methods to draw maximum benefits from our huge forest resources.

The notions of participatory democracy, education and sharing benefits gained as a result of joint efforts are already firmly established in that field. As a matter of fact, my colleague the Minister of State for Housing had an opportunity to meet with people involved in the Mouvement des coopératives d'habitation permanentes, and I think our colleague was highly impressed by their dedication, energy and efficient approach in promoting their convictions.

I have in mind some people who work in that field, and of course I need not go any further than my own region, my own riding. A good example would be Mr. Allan Gaudreault who works for Brich and who helped a group of people launch their own co-operative project. This is the case of one man who deserves to be singled out for the quality of the work he does for our fellow citizens.

The Canada Mortgage and Housing Corporation, the responsibility of our colleague, has done a lot to promote this kind of accommodation for Canadians. Over the years the federal government has always made it a point to consult regularly with the co-operative housing

sector, and their discussions have led to a number of innovations in housing.

Under the Canadian co-operative housing program established in 1986, we supported the development of a new mortgage financing called indexed-linked mortgage, a totally new program.

Mr. Speaker, I see that my time is running out and I know you are preparing to interrupt me soon, so I will get away from my text to refer to examples of co-operative projects and a speech I made last week, when I had an opportunity to attend the opening of the Marguerite Belley co-operative project in my constituency. A wide range of people where there, both the well-to-do and the poor. I told them of the quality of housing they were enjoying, because in our cities we can see the difference between projects supported by our Government and those from the private sector, in terms of the quality of existing buildings. I believe this is important because what can be more pleasant in life than living in quality housing, feeling good, being able to live decently. This is a benefit we are providing our people with the co-operative housing program. There are other initiatives we are taking in housing.

• (1800)

And look at what is also coming on stream in respect of senior citizen housing. Things are moving fast in that area.

I see you want to interrupt me, Mr. Speaker, but I believe our co-operative housing program is excellent and we must indeed go on directing funds to better housing in this country.

Mr. Deputy Speaker: The period provided for the consideration of private member business has now expired.

Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

Adjournment Debate

VIA RAIL

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I am pleased to take part in the debate tonight on a question that I put to the Minister of Transport on October 6. It was an important question I think because it followed on the deliberate slashing and destroying of the VIA Rail passenger network system in Canada by some 50 per cent.

What I want to do tonight is to discuss briefly some of the points around the VIA Rail remote services that we have in this country and what they mean in particular to the VIA Rail service in northern British Columbia through my riding.

Briefly, the government has done the wrong thing. I think our transport critic, the member for Thunder Bay—Atikokan, has done an excellent job in proving how wrong the Conservative government is to destroy VIA Rail as it is doing. As well, we have to look back in time a bit to recall how the Liberals did the same. It is unfortunate that in an inadequate way the Liberal Party when it was in government created VIA Rail. It made cuts to VIA. Now we see the absolute betrayal by the Conservative government of its election promises in 1984 and 1988.

It is important to review what the minister has said about remote services, most specifically the VIA Rail run from Prince Rupert to Jasper which goes through the riding of my good friend, the member for Skeena, as well as through my riding of Prince George—Bulkley Valley and the riding of my colleague, the member for Prince George—Peace River.

The question we put was to the transport minister. It was in light of the fact that he announced that in keeping this run going the three times a week that it does now, Transport Canada would be reviewing the transportation needs of the truly isolated communities along these remote routes to determine whether more cost-effective means of access could be introduced.

For the information of the House, we have not seen the VIA Rail timetable yet. Some of the communities served by this run are Harvey, Dunster, McBride, Goat River, Dome Creek, Penny, Longworth, Dago, Burns Lake, Houston and Telkwa. Many of those communities depend on VIA Rail. Some of those communities depend solely on VIA Rail as their only means of transportation.

The important message that we want the government and the minister to understand is just how important VIA Rail is to those of us in northern B.C. That is why we asked and why I have written to chambers of commerce and city councils throughout my riding to invite the minister and Transport Canada to discuss what this route is going to do. In the review of passenger rail transportation in Canada put out by VIA Rail, the government has to step in. There is virtually no mention in this report of that terrific route from Prince Rupert to Jasper and the tourist potential that it has.

It is critical that the Minister of Transport instruct his officials to travel to our part of the province to review this remote run and the others, and to meet with concerned community groups to ensure that they get a chance to explain the potential that there is for VIA Rail in our area, both from a remote service concept and from the incredible tourist potential that we have.

It is unfortunate that in the debate here and in our hometown on this matter that some of the members from the government party opposite talked about how they did not know what the cuts were going to do. It was as if they were not even aware of the concern that people had about VIA Rail. That is shocking because the community group in Prince George, the Save VIA Rail Committee, was headed by residents of Prince George, some of whom worked at VIA Rail and with whom I took a run some months ago to get a first-hand look at the service, which was sold out on many occasions. Yet this Conservative government does not understand how important a role VIA Rail can play in eastern and central Canada but also in remote Canada.

• (1805)

I ask that when the Parliamentary Secretary or whoever on the government side is going to respond they will have the courage to commit to this House that those officials will have an opportunity to travel and hear from the people who rely on VIA Rail passenger service in the remote parts of our country. It is essential. I hope the government will listen for once on this matter.

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I would like to take this opportunity to respond to the question raised by the hon. member for Prince George—Bulkley Valley about the future of transportation connections in truly isolated communities which are now served by VIA on its remote routes.

As part of the government's announcement of a national, affordable, sustainable network for VIA, the Minister of Transport indicated that he would be reviewing the transportation needs of the truly isolated communities along the remote routes to determine whether more cost-effective means of access could be introduced.

The truly isolated communities are found on VIA's eight remote lines and on the Winnipege-Capreol section of the restructured western transcontinental service. They are identified as points where VIA makes scheduled stops which do not have any regularly scheduled air service and do not have all-weather highways access to the national transportation system.

The review will examine the most cost-effective means to meet the transportation needs of truly isolated communities. It will determine if rail service is the most cost effective transportation alternative when compared, for example, to all-weather runways or roads to serve these truly isolated communities.

If rail continues to be the most cost-effective solution, that will be the basis for future action. If some other approach is indicated the Minister of Transport will engage in appropriate discussions to determine if alternative agreements can be in fact be implemented on a satisfactory basis.

VIA RAIL

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, on October 5, 1989, I posed a question to the Minister of Transport. At that time I asked the minister with regard to the termination of the Halifax-Sydney route why those Canadians were being treated as second-class Canadians.

I raised with the minister the fact that the termination of this particular route would negatively affect the tourism industry in industrial Cape Breton and indeed throughout all of Cape Breton. It would deny Canadians living in that region of Canada the opportunity of access to good quality health care in the provincial capital of Halifax.

I also outlined for the minister that the termination of this particular route would prevent students from having affordable, reasonable transportation costs to pursue their education.

It was interesting to note way back in 1981, in particular in July of 1981 when a previous administration had made some cuts, some of the comments which were made by the then Secretary of State for External Affairs and, of course, the present Deputy Prime Minister. These comments were contained in the Report of the Conservative Task Force on Rail Passenger Service, 1981. I think it is worth pointing out to members who are present as well as the viewing audience the hypocrisy that we see being practised each and every day by the government.

The first statement is one by the present Secretary of State for External Affairs. He said on July 28, 1981, with regard to cut-backs of VIA Rail: "An act of the deepest cynicism and arrogance—(that) can only aggravate regional disparity".

• (1810)

The Deputy Prime Minister said on July 18, 1981, as quoted in the Halifax *Chronicle-Herald*: "The cuts are another example of double dealing and double standards. I find the decision and the whole process most objectionable".

Contained in the report were a number of items which I believe to be germane to the points which I am attempting to impress upon the government, namely, that "special groups of Canadians, such as the disabled, the elderly and economically disadvantaged, to whom other passenger modes are physically or financially impossible, will be severely affected by the cut-backs".

That was contained in the Conservative document of 1981, and it is very much applicable in 1989 with regard to the Halifax-Sydney route. They go on in their document of 1981 to state: "The cuts discriminate unfairly against Canadians living in sparsely populated or remote areas, such as northerners or Indian peoples, who have no other modes of transportation available to or from their communities".

I suggest to the parliamentary secretary, who is ably trying to defend a very impossible situation for the Government of Canada, that in that part of Canada the opportunities in terms of modes of transportation, if you are unemployed, sick, elderly or indeed disadvantaged in some way, are non-existent. The passenger rail train has served Canadians in that part of Canada immeasurably well over many, many years.

Further, contained in their document of 1981, the Conservative opposition as it was then stated the following four things which I believe are worthy of consideration. "The cuts are unjustifiably discriminatory toward certain areas of Canada and thus will create further discord, disharmony and regional tension".

I say to the parliamentary secretary, you have accomplished that. Your goal obviously was to create disharmony, regional disparities and havoc. You have accomplished that by terminating the Halifax-Sydney route of VIA Rail.

"Government policies to improve regional economic opportunities are often offset by contradictory policies of reducing transportation services to those same regions".

Modes of transportation are essential in terms of any economic strategy but, more important, they are absolutely essential when you are dealing with an economy which at the present time, by all standards—provincially, nationally and internationally—is well below average. To make it viable, to make it more attractive and make it more appealing, the way to go is not to cut one of the modes of transportation.

"Over two-thirds of the job losses caused by the cuts will occur in regions beyond central Canada, mainly in areas already disadvantaged or with existing unemployment problems".

In parts of my riding unemployment ranges from 22.9 per cent upward to 35 to 40 per cent. Certainly these cut-backs will operate in a very disruptive way.

The report goes on to state: "A widespread view exists that any savings produced by the cut-backs across the country will be spent to upgrade services in the narrow transportation corridor between Quebec City and Windsor".

What are they going to do with the savings *vis-à-vis* VIA Rail? Are they going to put them into other modes of transportation in the poorer regions of this country? The answer has been very clear from the outset that this government is not interested in any meaningful way in assisting those poorer regions of the country. What

better example do Canadians have than the example of the termination of the Halifax–Sydney run of VIA Rail?

As I said at the outset, and I conclude, it will operate to the disadvantage of elderly Canadians. It will prevent students from having affordable access to their educational needs in universities on mainland Nova Scotia. It will affect those Canadians in eastern Nova Scotia who wish to seek out and obtain appropriate health care by travelling to the provincial capital.

All of those things contribute to the belief, and I believe the evidence is very strong, that those Canadians in eastern Nova Scotia are being treated as second–class citizens by the Government of Canada and it should terminate that kind of ill treatment of those Canadians.

• (1815)

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I would like to take this opportunity to comment on the remarks made by my hon. friend from Cape Breton—East Richmond.

The government's decision on VIA's five–year corporate plan maintains a network of rail passenger service that will be national, affordable and sustainable. The network will continue to link Canadians from Vancouver to Halifax and will maintain good connections between eastern and central Canada, as both The Ocean and The Atlantic will continue to operate. No Canadian is being cut off from access to the national transportation system as a result of this decision including Cape Bretons.

The hon. member for Cape Breton—East Richmond has raised the potential tourism impact of the discontinuance of VIA's Halfax–Sydney route. In response I would like to say that as someone born on the great island I am familiar with the many notable tourism attractions in Cape Breton. The Cabot Trail is world renowned. Ingonish Beach, the Miners' Museum in Glace Bay, Fort Louisburg at Louisburg, the Alexander Graham Bell Museum at Baddeck, and the Acadian Community of Cheticamp play a major role in the tourism industry of Cape Breton.

However, I must point out that these important tourism attractions are not accessible by passenger rail. People travel by automobile or by bus to visit these places.

We must also be aware that VIA's Halifax–Sydney service not only had a ridership drop of more than 40 per cent in 1984 but, as mentioned to the hon. member by the minister, also cost taxpayers about $86 for every passenger it carried in 1988.

In light of these facts it is difficult to argue that VIA's Halifax–Sydney passenger service plays a vital part in the Cape Breton tourism industry. Those who wish to visit Cape Breton and the many attractions there will continue to do as they always have done.

SUPPLY AND SERVICES

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question follows upon the questions we have been raising in the last few days about government scandals.

Over the last few days we have been focusing on the conduct of one particular individual, a member of the Senate, and we are now assured not only that the Senate is considering holding a hearing into his activities in relation to two government departments but that the RCMP is also examining material about that individual.

But there is a much larger question which has not been answered by the government and which I want to see it address. I hope the member sitting opposite will be prepared to do so.

We are not talking about individuals' particular behaviour in relation to this government. We are talking about an over–all pattern which is emerging of the way in which this government does business.

The way in which this government does business stinks, whether we are talking about conduct which is illegal, and I can give examples of individuals like a former Conservative member of Parliament who was convicted of taking bribes; whether there is a criminal trial and the individual is acquitted, and I can refer in that case to former Conservative cabinet minister Andre Bissonnette; or whether we are not even talking about illegalities, and in this category I would put a case like that of Sinclair Stevens.

In so many instances in approaching this government for the use of public funds what has emerged is a pattern in which friends of the Prime Minister, people who are

important members of the Conservative party, people who are close to other cabinet ministers, are getting rich and getting rich out of the public trust. Contracts are being awarded with no sense for the taxpayer that any respect is being paid at all to get the best deal or even to justify the contract.

What we are urging and what we are asking is that the government clean up its act. It is not a good enough answer for the government to say that it is cleaning up its act by turning over information about a particular individual or a particular situation to the police.

• (1820)

If I can pursue the example of the Gravel case, during the time in which the matter was under investigation by the police, the government refused to answer any questions about it. It refused to answer not just about Mr. Gravel's involvement but about the implications of having a member of its caucus on the take getting bribes, and the way in which that would alter the operations of the government against the interests of the taxpayer.

When the individual was charged and we asked questions about it, the government refused to answer questions about it because the individual was charged. When he was before the court it refused to answer questions about it because it was before the court. When the individual was convicted and no public interest was served at all in refusing to answer questions about the details and background, again it refused to answer questions saying that the book was closed.

Let me pursue the Gravel example again. If someone is prepared to give a bribe to have his contract accepted by a government department, it is important for us to know, apart from the responsibility of the individual, whether that contract a necessary contract. Was it something the government really needed to be done? Was there someone else who would have done it for less or done it better? These are all very relevant questions. Whether Mr. Gravel in the particular case ended up being convicted or not, we are entitled to ask those questions and have answers to them.

Now I come to the case before us, of Senator Cogger. Whatever his individual responsibility is found to be, whether charges are ever laid or ever successfully brought, what is uncovered is another piece of this pattern of a government that helps its friends *en route* to awarding government contracts, *en route* to making government decisions. It is not good enough to tell us that Senator Cogger is possibly being reviewed in the other place. It is not good enough to tell us that the RCMP may be looking into the matter.

Whether they are or not, we insist that the government answer for the probity, honesty and fairness of the way in which government programs are being admitted. Everyone in this country is becoming more intensely aware, day by day, that having a friend of the Prime Minister help you for payment, having a friend of another cabinet minister, having a prominent Tory help you, is a certain way of being able to succeed in getting a grant, a loan, in getting a contract to put up a building at an airport, or in getting a lease from the government for space in a private building.

There are many examples of it, and in each case the government has insisted that it will only focus on the individual and the individual's responsibility. Whether the individual is responsible or not, whether we are talking about a rotten apple, we are talking about a rotten government.

This Parliament is the place where we are entitled to raise these questions. We are entitled to hear from the ministers of their attempts and their sincere efforts to clean up their act and try to restore for Canadians a government that the Canadian people can be proud of.

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I rise today to say that this question has been raised before and has been answered.

I would like to refer the member to the response by the former Minister of Transport, the hon. member for St. John's West, on February 22, 1988. I quote:

> The procedure was one of the most open and above-board ever used by any government in Canada. A committee of permanent civil servants headed by Mr. Warrick, the former manager of the Toronto airport, was in charge of the call of the proposals for the whole procedure. They made a recommendation. Four groups put in proposals and they recommended what they said was the best proposals, after their weeks of analysis. Everyone was given the same chance to make a proposal and to bid.
>
> They came to me then and I approved their recommendation. I did not go against their recommendation. I did not try to overrule their recommendation.

I believe that this should adequately respond to any concerns of my hon. friend.

Mr. Deputy Speaker: A motion to adjourn the House is deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning at ten o'clock.

The House adjourned at 6.25 p.m.

HOUSE OF COMMONS

Friday, November 3, 1989

The House met at 10 a.m.

Prayers

[*English*]

PRIVILEGE

ACCESS TO INFORMATION

Mr. Speaker: The hon. member for York Centre rises on a question of privilege. Before I hear him I perhaps would like to consider the situation.

Because of the courtesy of the hon. member for York Centre a few minutes ago, he gave some indication that he wished to raise a question of privilege. There may be time later in the day to raise it, but I am looking at the order, and that is what I am bound by.

I have to ask the hon. member, is it something that is arising out of proceedings in the Chamber during the course of a sitting? If it is not, I will have to ask the hon. member to go through the usual motions, and give an hour's notice.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to be straightforward about this and ask unanimous consent to raise my question of privilege now rather than raising it at a time which would delay the introduction and first reading of a bill the government has given notice of its intention to proceed with at noon. I can wait until noon, but I think it might be more in the interests of the House that I be able to do it now, and it will not be long.

Mr. Speaker: The Chair wants to co-operate with members. The hon. member has asked for consent, but the members that he is asking the consent of have no idea of what it is the hon. member is raising. I think I have to say at the moment that the application is premature. As a consequence of discussion, the hon. member may be able to obtain that consent, and then of course I am in the hands of the House. The hon. member for York Centre.

• (1010)

Mr. Kaplan: Mr. Speaker, it had to do with a deliberate interference by an official of the Federal Business Development Bank with the delivery of documents to me which the corporation had agreed to provide me and which it began providing me with yesterday. They were documents which I had phoned the RCMP about. I told them that I would be giving these documents to them between four-thirty and five o'clock. However, they were not made available. I would briefly like to explain the circumstances and indicate that my privileges were affected.

Mr. Speaker: I am bound as your Speaker to follow the rules. I have to say to the hon. member for York Centre that perhaps if he has discussions and if events change then of course the Chair would hear him further. For other members and for the public that is watching, I cannot help but hear a discussion that is going on among members. That is a discussion that members will need to have. I am bound by the rules.

Mr. Kaplan: May I seek unanimous consent to deal with the question of privilege now?

Mr. Speaker: The hon. member for York Centre has asked the Chair if he could seek unanimous consent. I, of course, am prepared to listen to the Hon. Minister of Justice.

Mr. Lewis: Mr. Speaker, in view of the comments of my hon. friend, I now understand a little better what he is driving at. I think it might be in the interest of the House and the business of the day to briefly address the question of privilege, but we do have only a short time between now and eleven o'clock. If he can address it briefly, that might assist everybody.

Some Hon. Members: Agreed.

Mr. Speaker: The House has agreed that the hon. member for York Centre be permitted to raise the question of privilege and I will hear the hon. member for York Centre.

Mr. Kaplan: Yesterday morning, in the light of the apparent unwillingness of the government to call in the RCMP in connection with work being done by Senator Cogger, or possibly being done by Senator Cogger and his firm for the Federal Business Development Bank, I telephoned the Commissioner of the RCMP and told him that if an inspector would attend at my office between four-thirty and five o'clock yesterday afternoon I would present him with a collection of documents.

Before doing this a member of my staff, Marc Laframboise of the research bureau of the Liberal caucus, telephoned the Federal Business Development Bank and arranged for relevant documents from the bank to be transmitted to Ottawa for me to include in the package to present to the RCMP.

These documents were sent from Montreal by the Federal Business Development Bank and they were in effect seized by the vice-president of public relations for the bank in Ottawa, so they were not available to me to present to the RCMP.

I consider this to be an interference with my responsibilities as a member of Parliament to do my job in bringing forward the evidence that was available that had to be considered in relation to Senator Cogger's involvement with the Federal Business Development Bank.

I learned only this morning of the reasons which I have just outlined why these documents were not delivered. If you find a *prima facie* case of privilege, Mr. Speaker, I would certainly be prepared to move the appropriate motion.

Mr. Speaker: I thank the hon. member. Are there other members rising on this matter? The Hon. Member for Glengarry—Prescott—Russell.

Mr. Don Boudria (Glengarry—Prescott—Russell): I am the member who phoned back the Federal Business Development Bank to find out what had happened.

I was informed this morning that the documents in question had been seized by a gentleman by the name of Michel Azam, identifying himself as the vice-president of government relations for the Federal Business Development Bank. This information had been sent to my colleague, the member for York Centre, to the attention of all Liberal members actually, by the Access to Information Co-ordinator of the Federal Business Development Bank.

One element that is important to add here is the fact that these documents we requested, which were promised to us and which were subsequently intercepted were documents in the public domain. They were photocopies of documents previously given to people in the media, i.e. the Montreal *Gazette*.

If you look at the matter closely, Mr. Speaker, you will find that privilege is defined as the sum of our peculiar rights enjoyed by either House and by members individually and collectively.

Using that definition, Mr. Speaker, you will agree with my colleague for York Centre and I. Information was provided to the media, photocopies of which were promised to members of Parliament to do their job. My colleague organized a meeting with the Royal Canadian Mounted Police pursuant to a suggestion made in the House of Commons by a cabinet minister, as a matter of fact.

Those documents were withheld from members of Parliament by a deliberate action on the part of an individual at the Federal Business Development Bank who, by the way, has since agreed to release the documents. Nevertheless, they were not available yesterday for the meeting in question.

I think, Mr. Speaker, that you will be inclined to agree that this House cannot function unless officials of the government give us at least the same courtesy offered to people in the media and others.

Mr. Speaker: I am going to take the matter under advisement. I thank the House for giving consent and the hon. member for York Centre for raising it. I may want to hear further on it. I shall take it under advisement.

GOVERNMENT ORDERS

[*English*]

CANADIAN SPACE AGENCY

MEASURE TO ENACT

The House proceeded to the consideration of of Bill C-16, an act to establish the Canadian Space Agency and to provide for other matters in relation to space, as

reported (with amendments) from a legislative committee.

SPEAKER'S RULING—MOTIONS IN AMENDMENT

Mr. Deputy Speaker: There are 10 motions in the amendment set down in the notice paper at report stage of Bill C-16, an act to establish the Canadian Space Agency and to provide for other matters in relation to space. I have had the opportunity to examine them, and I am now ready to make the ruling.

Motions Nos. 1 and 2 are in order and will be grouped for debate but voted on separately.

Motions Nos. 3, 8, 9, and 10 are also in order and will be grouped for debate but voted on as follows: (a) Motions Nos. 3 and 10 will be voted on separately; (b) an affirmative vote on Motion No. 8 obviates the question being put on Motion No. 9; (c) an negative vote on Motion No. 8 necessitates the question being put on Motion No. 9.

Motion No. 4, standing in the name of the hon. member for Ottawa West, will not be selected because it deals with the same subject as Motion No. 3.

[*Translation*]

Motion No. 5 by the Hon. Member for Winnipeg North (Mr. Pagtakhan), is identical to a motion that was moved and debated in the Legislative Committee. For this reason this motion will not be selected.

Motion No. 7 in the name of the same Hon. Member is similar to a motion that was proposed and debated in Committee. However, the Chair is of the opinion that this motion is sufficiently different and therefore I will allow it to be put to the House. It will be grouped for debate with Motion 6 but each will be voted on separately.

I shall now put motions Nos. 1 and 2 to the House.

[*English*]

MEASURE TO ENACT

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap) moved:

Motion No. 1

That Bill C-16 be amended in Clause 5 by striking out line 23 at page 2 and substituting the following therefor:

"nology for non-military, peaceful purposes;"

and by striking out line 25 at page 2 and substituting the following therefor:

"space technology for non-military, peaceful purposes to and throughout".

Mrs. Marlene Catterall (Ottawa West) moved:

Motion No. 2

That Bill C-16 be amended in Clause 5 by adding immediately after line 26 at page 2 the following:

"(c.1) assume all existing contracts, memoranda of understanding or other arrangements in the name of Her Majesty in right of Canada related to its functions;".

Mr. MacWilliam: Mr. Speaker, both Motion No. 1 and Motion No. 2 attempt to establish clearly defined limitations in the mandate and the operational structure of the proposed space agency.

• (1020)

I would like to concentrate my remarks particularly on Motion No. 1. The current bill before the House outlines that the proposed space agency shall promote "the peaceful use and development of space".

It was argued in committee, and I think the argument is valid, that although the term "peaceful use and development of space" indicates that we will be seeking to use the mandate of the agency for non-aggressive military purposes, the argument can be made that the term "peaceful use" does not preclude the use of this agency for non-aggressive military purposes.

During committee stage the minister acknowledged that the agency could actually become involved in a type of non-aggressive military action. The minister gave the indication, by way of example, of the launching and maintenance of surveillance satellite systems.

The crux of the argument lies in what can be construed by the term "non-aggressive military use". Such a definition in the past has been used, for example, to qualify the low altitude testing of cruise missiles in Canadian air space. It is non-aggressive, but ultimately the testing of those cruise missiles has forwarded the whole problem of the use of nuclear military weaponry.

Therefore, because the current legislation does not specifically preclude military actions under the mandate of the space agency, it leaves the door open for Canada to enter into the exploration of space as a military frontier.

The potential for the abuse of the mandate of the space agency for military purposes, although it may be non-aggressive military purposes, is heightened by the fact that Canada has not specifically excluded itself from participating in the U.S. strategic defence initiatives or star wars initiatives.

Collusion with our southern neighbour in the deployment of any star wars space based weapons system remains, I submit, a very distinct possibility, unless this current legislation is strengthened to ensure beyond all reasonable doubt that this cannot take place. The only way of ensuring that is to strictly define the mandate of the new space agency as being one of non-military and peaceful purposes.

The intent of Motion No. 1 is to do just that. It is to define, in very specific terms, the function of the space agency to include the planning, direction, management and implementation of programs and projects for non-military and peaceful purposes. It is to include co-operation with space and space-related agencies in other countries in non-military peaceful use and development of space.

The operative phrase is the term "non-military peaceful use". By inserting this phrase, as proposed by the motion that I have submitted, we will effectively limit the mandate of this agency to a strictly non-military and peaceful function.

I submit that this is not an abandonment of our responsibilities under the NATO and NORAD agreements. It does, however, clearly establish the fact that Canada should not squander its moral and economic energies in the militarization of the space frontier.

It serves to send a very clear and strong signal to our neighbour to the south that the exploration of the space frontier shall be done for the sole purposes of scientific, technological and economic advances and not as yet another attempt to gain the upper hand in the endless and the morally reckless and economically corrupting game of military superiority. We saw enough of that in the cold war years. It is time to move on to new ground.

By supporting the proposed amendment, the Parliament of Canada will say no to the participation of this country in the militarization of our space frontier. I submit to all members of the House that it would clearly establish the mandate of this new space agency as a proud participant in the quest for the betterment of mankind and not as an instrument for its ultimate destruction.

I appeal to all members of the House today to give serious consideration to the proposed amendment. The slight semantic changes that are proposed here could well represent a very dramatic and very defined shift in the future operations of this new proposed space agency. I appeal to the members of the House to support this motion of amendment, and I thank you for the time to present my arguments today.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I want to speak to this particular amendment. However I would also like to speak more generally to the bill. I will be introducing a number of amendments and rather than being on my feet three or four times perhaps I could cover the content of them all now since they are related.

Since the 1930s Canada has had a flourishing space science program and, from the beginning, our remarkable achievements have depended on a small handful of outstanding people—individuals dedicated to the expansion of human knowledge about our world and our universe.

The beginning and the ongoing survival of the space program, the space industry and science has depended on and still depends on science and research being carried out by scientists working for the Government of Canada. Their numbers have been dwindling, partly due to the declining commitment of government to science and research and the increasing tendency to bend everything to the immediate or short-term needs of the market-place.

There is not a new generation of young and eager scientists developing to replace them. Therefore, it is vital as the space agency is established that everything possible be done to keep those scientists we have working for Canada's space program and to inspire a new generation of bright, inquiring minds to join them.

The amendments I have proposed arise from the concerns of these scientists and technicians and their support staff who are vital to the continued success of the space program. It is important that I address them together rather than separately.

They are asking the government to listen to their concerns for their families, their careers, the integrity of the space program and the success of this infant agency. They do not have, at this point in time, a lot of confidence that their concerns are being heard and answered. In the months since the agency was announced for the nth time on March 1 of this year, many

of the questions and suggestions by the staff and the scientists have gone unheeded. They are still in the dark about the structure of the agency, reporting responsibilities, future prospects for advancement in the profession and what their career and earning potential will be.

• (1030)

Until the hearings of the legislative committee began, they even had no assurance that they would not be forced to move first to temporary quarters in Montreal, work out of cardboard boxes and then move again 18 months later to St. Hubert. That concern has now been resolved.

However, other concerns still remain. They still do not have any assurances about the provision of language training for themselves and their families, about career opportunities for spouses, even about the classification of their own jobs.

Let me address the amendments that were proposed to the legislative committee by the Professional Institute of Public Service of Canada and that reflect the same concerns as were expressed by the Public Service Alliance of Canada.

Motion No. 2 simply provides that in addition to entering into contracts and agreements, the agency may also assume existing obligations of the existing programs. This really is just an amendment for greater certainty, as drafters of legislation like to say. I am not sure why it would be a problem for the government to accept that motion. Perhaps one of the members on the opposite side could explain it to me, if there is a problem.

The second amendment, and that is Motion No. 3, is fundamental to the concerns of the professionals working for the government. I suggest that it is fundamental to their ultimate decision about whether to stay with the agency.

Mr. Deputy Speaker: I regret to interrupt the member. The House has no doubt noticed that the hon. member for Ottawa West is making a summary of all her motions. I gather there is consent to allow her to do that, even though we are discussing Motion Nos. 1 and 2. She is doing it in the interest of saving time.

Mr. Charest: Mr. Speaker, that is exactly my understanding of what motivated the hon. member in making such a presentation, and, of course, we have no objection to that, if it is in the interest of the House to proceed in such a way.

Mr. Deputy Speaker: Very well. The member for Ottawa West.

Mrs. Catterall: Thank you, Mr. Speaker. I have not been watching my time carefully so you might signal me a minute before.

The purpose of Motion No. 3 is to protect the status that most of the scientists, researchers and technical professionals now enjoy with the National Research Council. NRC has scientific and technical positions that are based less on paper qualification than on experience and performance, recognizing the unique nature of science and the excellence of the results that can be produced. This system is not unique to NRC. It also exists at the Department of National Defence, and perhaps other federal agencies or Crown corporations.

The problem with the existing legislation is that it tries to squeeze these scientists and technical professionals artificially into the rigid engineering classifications of the public service. The paper credential requirements limit their opportunities for advancement because they may be grandfathered in their current positions but that would not apply to subsequent positions they might legitimately expect to move into.

It would also force most of them into pay scales that are well below their current earning potential. I have seen specific examples of this coming from space agency staff. The bill deals only partly and very unsatisfactorily with this issue and it deals with it only for the few scientists in the astronaut category—those who will be going into space to conduct their research.

I say it is unsatisfactory because it allows for the possibility of special appointments under terms and conditions provided by Order in Council. It deprives the persons appointed in that way of the protection of the Public Service Staff Relations Act while treating them in every other way as public service employees.

My amendment simply removes this special provision for the astronaut scientists and gives the agency the authority that the NRC already has, under which these scientists already live and that DND enjoys, to develop classifications for all its scientific personnel that reflect their talent and their contribution to the space program.

The third amendment deals with those people whose position is transferred to the agency. I believe the minister has somewhat agreed that it corrects the bill to say what, in fact, it was intended to say, that people whose positions are transferred to the agency do not have to compete for their own jobs.

The government has a provision in Clause 28 of the bill that says that this applies only for 90 days or three months after the space agency is formally established in law. That is of concern to the people working for the agency now because while they are allowed to transfer with the position to the agency within 90 days and not have to compete for their own jobs. If their position is moved on day 91, after this bill comes into effect, they would then be in a position where they would have to compete for the job they have held for many, many years.

I know it is the intention of the agency to transfer all positions immediately. That may or may not happen, however, and I believe that the professionals working for the agency, in fact, all the staff working in positions that will go to the agency, deserve the protection of not having to fight for their own job just because it is transferred to the agency. It has taken three years to put the agency in place, and even eight months after the final announcement, vital questions about the structure and functioning of the agency have not been resolved. The employees have little reason to be confident that all the issues with respect to the transfer of positions will be resolved in 90 days. If it cannot be done in eight months, how can the government assure them that it can be done in 90 days? I suggest that it does no harm to remove the 90 day provision to give some assurances to valuable employees that their rights will be protected.

Incidentally, the 90 days is there because when the bill was first written two and a half years ago there was no certainty that the transfer of positions could be accomplished in less than that time. Other things were written two and a half years ago, including the press release announcing the establishment of the agency. At that time, there was no question of moving labs and people. Its purpose was simply to establish a consolidation and a new administrative structure for the people working in the government labs and programs that constitute Canada's space program.

The program was and is working very well close to the seat of government and close to all the international connections that are so important. The government let this become a political football thereby delaying the progress of the space program, delaying many vital and costly decisions of the space industry, and, as one person with several years experience with the European Space Agency said: "Making Canada an international laughing stock."

The Prime Minister has already shown his lack of understanding of the space program, and the lack of value he gives to the people who are responsible for Canada's enviable international reputation, when he suggests that they can be replaced as easily as a burnt out light bulb.

He is wrong. Without the handful of people in our space program, we do not have a space program. These people will transfer to the agency because it opens up to them other opportunities in the Public Service of Canada and because that transfer does not immediately mean any decision about relocating the family or themselves. Whether they will eventually go with the agency when it moves to its new headquarters in St. Hubert will depend on how well the government listens and responds to their concerns. There has not been much evidence in the last eight months that this is happening.

• (1040)

I urge the House to adopt the amendments, and I urge the members on the other side of the House to educate and coerce the Prime Minister to treat these people with the respect and consideration they deserve, or the fears of some of the members opposite will become a reality. The space agency in St. Hubert will be a nice new building, but it will indeed be an empty shell.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have an opportunity this morning to speak on Bill C-16, an Act to establish the Canadian Space Agency and to provide for other matters in relation to space, and in particular on the excellent amendments proposed by my colleague from Okanagan—Shuswap, which will amend

and make clear what is ambiguous from the objects and functions section of the bill, which states:

> The objects of the Agency are to promote the peaceful use and development of space, to advance the knowledge of space through science and to ensure that space science and technology provide social and economic benefits for Canadians.

They are very eloquent words, but ambiguous. When we look at Clause 5 (2), the object of my colleague's first amendment, we find that there is a Mack truck loophole, as I describe it. His proposed amendment comes in paragraph (b) and would change the wording to read the application of:

> "space technology for non-military peaceful purposes".

That makes it very clear to the Canadian public, the Canadian taxpayers, just exactly what the purposes of the agency are, particularly in carrying out the objects. It states: "The agency shall". So it is very important that we have that wording added.

As we have learned before in this House legislation must be precise. The intent must be stated, not left to the interpretation of present or future ministers or the bureaucracy.

In particular, as we have learned, the Minister of State for Science and Technology, when questioned about this legislation and the purpose of the agency in committee, indicated that he was considering some military purposes for the agency. He described them as non-aggressive. If that is what the government was interested in doing vis-à-vis the agency, then clearly that should have been included in the objects and functions and included in the shall clause for what the agency shall be allowed to do. We simply cannot allow this kind of loose wording in either Clause 5 (2) (b) or (c) where my colleague has a similar amendment which would make it state: "To promote the transfer and diffusion of space technology for non-military peaceful purposes".

In assessing what any government is doing and where any government is going with legislation, it is very important that one look at what a government is doing, either intentionally or inadvertently. One can look at what is going on vis-à-vis Goose Bay, Labrador with the projected 65,000 low-level flights per year, if the NATO base were allowed to proceed.

One looks in my own backyard at IR-910, the 4,000 kilometre route which is for Stealth first-strike training and route development for the U.S. military, incursions by up to 25 U.S. nuclear capable war planes at a time, a corridor cutting a swath right across British Columbia. It is a route, I might say, that is not allowed in the U.S. There is no similar route in the United States. The Americans want to do the training and Stealth route development in Canada.

Also, IR-920 in Alberta, the Northwest Territories and Saskatchewan will have similar Stealth training for low level war games.

Most recently the Chilcotin low level U.S. war games took place over B.C. airspace, between September 22 and 24 of this year. These are tree top war games with supersonic aircraft flying at tree top level in British Columbia, without there ever having even been an environmental impact statement, a notification to pilots, or a notification to the public that these were to take place.

We see the tritium sales even by the province of Ontario and Ontario Hydro in locking up commercialized tritium sales to the United States for use as a key component in nuclear bombs. The facilitation by the Canadian government of military sales and technology exchange to global dictatorships, human rights abusers, and such weapons bazaars as Armex right here in downtown Ottawa gives one some idea of the kind of expansion into the whole world of military development and deployment this present government is so interested in.

One need only read the free trade agreement between Canada and the United States to see the provisions that are included there for technology transfers and the redevelopment of some parts of Canada's economy for military purposes.

This House should be dealing immediately and urgently with the proposal by the United States Government to go ahead with a contract in the middle of this month to develop a Trident nuclear submarine base just 40 miles from Prince Rupert, placing it in an area to make it an international nuclear target. There have been no environmental impact studies done of the proposal. It threatens and endangers 35,000 Canadians and is to be put in an area where there are only a few thousand American citizens.

Just a couple of days ago, knowing that this legislation might well come up, I wrote a letter to the Prime Minister and to the Rt. Hon. Secretary of State for External Affairs, and in that letter I said:

> It is extremely urgent that you take steps to advise the U.S. Government that Dixon Entrance right up to 54 degrees, 40 minutes, is Canadian water and territory and that no Trident nuclear submarines can transit these waters.
>
> The U.S. plan to construct a $35.5 million Acoustic Measurement Facility in Behm Canal (at the north end of Back Island) would lead to substantially increased dangers to the 35,000 Canadians in the area.
>
> There has been no risk analysis or environmental impact done on the potential threat to Canada. These must be done and I suggest you take whatever steps are necessary to halt the construction of this Trident nuclear submarine base as it poses risk to Canadian health and security. It as well turns the northwest coast—

Meaning British Columbia.

> —into a direct nuclear target.
>
> May I suggest that the most likely route for access and egress to the Behm Canal will require the direct violation of Canadian sovereignty. Lt. John Williston of Canadian Forces Base Esquimalt has confirmed that there is no agreement for U.S. navy ships to use Canadian waters in the vicinity of Dixon Entrance.
>
> The northern route along Prince of Wales Island is unlikely to be the Trident highway.
>
> This project poses substantial risk to Canada. Far more Canadians than Americans live in the immediate zone.
>
> I trust you will act urgently to halt this project and to advise the U.S. that no Tridents can transit Dixon Entrance.
>
> Your prompt and favourable response is eagerly awaited.

This was delivered by hand to the Prime Minister and the Secretary of State for External Affairs, who know full well that there are trial proceedings in Washington, D.C., going on right now before the Ninth Circuit Court, where American citizens, through various foundations, are trying to halt this development in the Alaska pan handle because no environmental impact studies have been done, no risk assessment has been done. We know that there are eight Tridents presently moving up and down the west coast of North America, working out of Bangor, Washington. The fact is that each of these carry at least 24 nuclear weapons. They have nuclear cores by which they operate.

If one looks simply at the number of accidents that there have been with Soviet nuclear submarines off northern Europe, Norway in particular, one can realize that these are the kinds of measures you take in advance. You do these kinds of assessments.

I know the concerns of my constituents. We have in Masset, on Graham Island, the Island upon which my home is, we have one of the largest acoustic listening devices on planet Earth.

Mr. Edwards: On a point of order, Mr. Speaker. I would appreciate the hon. member clarifying the relevance of what he is reading into the record and to the debate at hand.

Mr. Deputy Speaker: The hon. member for Skeena has the floor.

Mr. Fulton: Mr. Speaker, I am surprised that my cousin from the other side of the House had not been listening somewhat more carefully to what I have been saying. If one looks at the amendment being proposed, it is to clarify the legislation. The minister, in committee, indicated an intention to use the bill for what is not stated in the bill. The minister stated an intention to make use of the space agency for military purposes, something that Canadians do not expect, accept or support.

The reason I am pointing out what is going on in relation to this government's approach to military matters is that it is allowing our airspace to be used for Cruise missile testing, for Stealth bomber training. They are promoting a part of Canada for NATO low-level flights.

What we can see here, in tying it into my own constituency, is a government doing nothing to protect Canadian sovereignty from the transit of Trident nuclear submarines through Dixon Entrance and on up into the Behm Canal. We have the existing acoustic listening device at Masset which is now a joint Canada–U.S. operation. So there would be a joint military operation there.

• (1050)

If one looks at the policies of this Conservative government, it involves the substantial militarization of the submarine areas, the surface water areas and the land base. I do not even need to touch on the fact that we are in contravention of the Helsinki Accords with the development and testing of chemical weapons at a defence research establishment in Suffield, Alberta.

If the government is not given a very precise understanding in terms of wording in legislation it will pro-

ceed, in my view, to militarize at every single opportunity. I do not think Canadians want, in any way, to know or even to have the possibility out there that the new space agency might be involved in star wars or in any kind of space militarization or space military activity. Those are the reasons for my remarks.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, I would like to give the government's position on Motion No. 1, moved by the Hon. Member for Okanagan—Shuswap (Mr. MacWilliam), which adds the words "for non-military, peaceful purposes" to paragraphs 5(2)(*b*) and 5(2)(*c*). The government cannot accept the motion because the Agency's objects are stated clearly in clause 4 of the Bill. They consist in promoting the peaceful use and development of space. Consequently, adding the word "peaceful" to subsection 5(2) is redundant, especially since this provision specifically mentions the Agency's objects from the outset.

The terms "for peaceful purposes" are entirely appropriate, since those are the terms used in treaties on outer space.

Mr. Speaker, I would therefore like to remind the Hon. Member for the New Democratic Party and the Hon. Member for Skeena that according to the Canadian government's policy, also stated in clause 4 of the bill which provides for promoting the peaceful use and development of space, Canada is a signatory to the Outer Space Treaty which requires space to be used for "exclusively peaceful" purposes.

The terms "peaceful purposes" can apply to certain non-agressive activities such as monitoring compliance with arms control treaties, telecommunications and search and rescue operations. It is clear the terms "peaceful purposes" do not apply to aggressive activities such as the "militarization" of space.

Thus, the Agency can only exercise its duties in relation to matters concerning space that are not by or pursuant to law assigned to any other department, board or agency of the Government of Canada.

Section 4 of the Department of National Defence Act provides that the Minister of National Defence has the management and direction of all matters relating to natioanl defence, including preparation for civil defence against enemy action.

Consequently, there is nothing in the proposed legislation that empowers the Agency to engage, in space, in activities related to the national defence of Canada, since this is an area that by law is assigned to another department, in this case the Department of National Defence.

Regarding the motion moved by the Hon. Member for Ottawa West (Mrs. Catterall), Motion No. 2, sub-section 5(2) on functions, adds a new paragraph, 5(2)(*c*):

> assume all existing contracts, memoranda of understanding or other arrangements in the name of Her Majesty in right of Canada related to its functions.

This motion is not acceptable to the government because the new paragraph is redundant and in fact might cause confusion and create problems of a legal nature. It is unnecessary because all these obligations are obligations of Her Majesty in right of Canada.

It is the program or project that is transferred that determines whether a contract or other agreement is transferred or not. An agreement is not transferred automatically. It must be part of a program, project or other obligation that is transferred to the Agency.

Adding this clause might create legal uncertainty in cases where one party to a contract maintains that the contract now comes under the Agency because it relates to space, while in fact, the contract is still the responsability of another department.

Therefore, Mr. Speaker, we intend to vote against both motions.

[*English*]

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I would like to make a few comments on these particular amendments. Canadians have accepted the idea that the space agency is for peaceful and non-military purposes. That has been the basis on which the the planning was done for the space agency.

However, members of this House who have watched agencies develop relative to their responsibility to this government know that quite often they do not ultimately fulfil their mandates, particularly the aims as stated by the government in many cases. Consequently it is neces-

sary to put into the legislation very specifically the mandate of the particular agency.

The value of space research is inestimable because we really do not know how far it could go and how necessary it will be. But its value could be nullified entirely if it is taken over as a base for military research and military development rather than for research for peaceful and non-military purposes, as it was intended.

I recognize it as a partial commitment, but there is a commitment by this government to assist in star wars development. Many of our companies in Canada have accepted contracts related to the star wars project. That means there is already a suggestion that the space agency would assist in that development of the star wars structure in Canada.

Military one-upmanship leads to arms races, which deplete the resources of the world. We cannot allow the squandering of the brains, the talent and the materials to research that is attempting give one power of the world the upper hand militarily. We should not accept it.

Consequently, we obviously should not allow it to be the basis of an agency which can be used to develop the military might of a particular sector of the world. The mandate of the agency should have very specific wording about the aim of this agency. That is what this particular amendment intends to do.

[*Translation*]

Mr. Deputy Speaker: It being eleven o'clock, we shall now proceed to statements by Members. The Hon. Member for Louis-Hébert (Mrs. Duplessis).

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, the goods and services tax will bring Canada considerable benefits. We plan to replace a tax system which has every defect imaginable.

The present tax favours imports, hurts exports, is narrowly based and an unreliable source of revenue.

The GST is modeled on a system in place in 48 countries. We studied the application of this system at length and adapted it to the needs and realities of Canadians.

Our objectives are clear: we want a strong economy, sound public finances and a fair and effective tax system.

The GST will achieve three major objectives: it will contribute to deficit reduction and ensure that we can continue to pay for programs and services to which Canadians are attached, it will ensure that Canada can continue to compete effectively on world markets and it will ensure the basic equity of our tax system.

* * *

CANADA POST

M. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I am rising to object to the possibble privatization of Canada Post.

Canada has had mail services since the Union Act of 1840. Since Upper and Lower Canada united to form what has become today's Central Canada, we have recognized the need to maintain a public mail system bringing the whole country together.

As a mainstay of the country, Canada Post Corporation offers other means of consolidating national unity and I think it is essential to preserve its integrity even though it might make us a little less competitive at times.

Even western countries such has France, Holland, Belgium, England and the United States recognized the basic value of unity. Even Margaret Thatcher, a champion of privatization, did not dare tamper with the post office.

The Hon. Minister should do the same.

[*English*]

CANADA-U.S. FREE TRADE AGREEMENT

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, on February 20 of this year, Photogravers and Electrotypers Limited of Rexdale, Ontario, locked out the Graphic Communication International Union members after demanding concessions at the bargaining table, claiming they were needed to compete under the free trade agreement. This plant normally produces the Sears catalogue but this year it is being printed in Salem, Illinois.

Two weeks ago the company demanded further concessions to meet those agreed to by the Illinois workers. This resulted in a 15 per cent reduction in wages over five years, a 10 per cent reduction in each of the first and second years, no increase in the third year and a 2.5 per cent increase in the fourth and fifth years.

The government has a responsibility to ensure that its election promises are kept, that a level playing field does not mean Canadian workers should be hammered down to American levels.

* * *

IMMIGRATION

Mr. Harry Chadwick (Brampton—Malton): Mr. Speaker, recently officials from the Department of Immigration and some members of Parliament, including myself and representatives from the opposition, attended a public meeting where we were given a chance to listen to the concerns of refugees and immigrants.

With a large contingency present from the Sikh community, much of the meeting dealt with specific concerns of these individuals. It was a chance for us to gather together to discuss problems associated with the Canadian immigration process and to assure these individuals that the government continues to work at building a compassionate and fair immigration system.

I was most disappointed when opposition members used this meeting as a forum to bash government policy on immigration. Immigration is an issue where human emotion has an intrinsic impact requiring a delicate and careful approach on the part of government officials. If the opposition continues to misjudge the ability of constituents to see through these political manoeuvres, I am afraid they should brace themselves. With this kind of political misconjecture, members of the opposition should be prepared to sit in opposition for some time to come.

* * *

VIA RAIL

Mrs. Christine Stewart (Northumberland): Mr. Speaker, citizens in my riding of Northumberland and millions more across this country are stunned by the government's decision to cut essential VIA Rail passenger services. The Northumberland riding has had a 20 per cent increase in ridership since the beginning of this year which levels out to 400 to 500 trips per day. VIA reports significantly underestimate the ridership levels. On the Corridor and Toronto–Havelock lines through my riding, the major destination point is Toronto where the routes provide essential service to commuters, students, seniors, as well as general public users. There is no alternative transportation service available.

When the Toronto–Havelock line was terminated in 1982, the federal Progressive Conservative Party provided the local citizens' group with $15,000 on a matching dollar basis to fight the decision in court. At the time, the PCs promised the citizens' group that if they were elected VIA services would be improved and run in a businesslike way so as to increase ridership. This citizens' group and many others realize they were deceived by this government.

With citizens across this country depending on VIA Rail passenger services on a daily basis, I believe that this government must put a moratorium on the proposed rail service cuts of essential services. Further, this government has a moral, if not a legal responsibility to assure constant rail passenger service.

* * *

[*Translation*]

SAFETY AT SEA

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Recently, when the Auditor General tabled his report, Mr. Speaker, he blamed the coast guard for assigning without reason an ice-breaker to the Matane—Baie-Comeau area. I suggest he was wrong, for he has failed to take into account the fact that during the Winter, in addition to ensuring ice-breaking duties for shipping, this boat provides the area with important search and rescue services.

Following the judicial inquiry into the loss of the *Hudson Transport* oil tanker in 1982, the judge recommended that a specialized search and rescue ship be assigned on a permanent basis to that area.

We should remember also that, as recently as last Winter, a fire started on board the *Star Rover* ship in that area. A quick intervention by this ice-breaker was instrumental in saving the lives of the crew members.

In the area of safety at sea, the Government of Canada must assume its responsibility and not only carry out a simple accounting procedure, as the Auditor General did. An ice-breaker in the Matane—Baie-Comeau area is essential and it must stay there.

* * *

[*English*]

LAND CLAIMS

Mr. Jim Fulton (Skeena): Mr. Speaker, more than a century ago First Nations from northern British Columbia, led by Nisga'a and Tsimshian chiefs, travelled to Victoria demanding recognition of title, self-government and negotiation of treaties.

Today, despite a common political position of the federal parties in the House of Commons calling for negotiation of aboriginal title and rights in B.C., despite the landmark ruling of the Supreme Court of Canada on the Calder case in 1972 which gave rise to the federal comprehensive claim process, despite Section 35 of Canada's constitution which recognizes and affirms aboriginal title and rights, despite the rulings of the B.C. Supreme Court and the B.C. Court of Appeal in support of the Gitksan Wet'Svwet'en and to protect resources in their territory, Victoria has yet to find the political will and backbone to enter negotiations with B.C.'s First Nations.

The Nisga'a has patiently participated for the past decade in a negotiation process severely delayed by Victoria and Ottawa. The Haida have been frustrated at every turn including South Moresby. The Haisla just last week raised a pole at a Kemano to warn Victoria, Ottawa and Alcan of their opposition to the destruction of their resources. The Tlingits of Taka River and the Tahltans wait for justice.

The First Nations ask for respect. The court-supported roadblocks and detours set in recent months by the Gitksan Wet'Svwet'en have halted logging activity. Now the federal Crown must act, not wait. Victoria must act, not wait. To wait will cause chaos.

* * *

INDIAN AFFAIRS

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, Carla Williams is back home. After 17 years of life in the Netherlands which included sexual abuse by her adoptive father and subsequent shuttling between eight different orphanages, attempted suicide and a stay in a mental institution, the 25 year old from Fisher River Indian Reserve in Manitoba is back home.

Carla Williams is a painful example of how a government policy of the 60s and 70s that promoted foreign adoption of Manitoba children of native ancestry has often had negative results. Chief Louis Stevenson, chairman of Anishinaabe Child and Family Services, the native agency that worked hard to repatriate Carla Williams, has asked that a system be established to ensure that all other such native exiles who may wish to return home be given the opportunity to do so. He has also called for financial compensation for these persons who were wilfully dispossessed of their land, their culture and their heritage by a deliberate government policy. I ask the Minister of Indian Affairs to consult with his provincial counterparts and to communicate directly with Chief Stevenson to bring about this overdue corrective action.

* * *

NATIONAL CAPITAL REGION

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, headlines today claim that Campeau Corporation has made application to build a 36-storey building at Kent and Queen Streets within the environs of Parliament Hill. The construction of the office tower would exceed the city's 45-metre height restriction. To allow this building to be built would set a dangerous precedent in the long-standing practice of protecting the vista of Parliament Hill and its surroundings.

While I understand that these buildings are important to the economy, it is imperative that the historical practice of protecting the view of the capital be maintained. These buildings such as the Peace Tower are a symbol of Canada. To have a 36-storey tower jutting into the view of Canada's most important national symbol would be a desecration of our federal land.

• (1110)

We must make every effort to protect the beauty of our nation's capital and continue the past practice of limiting the height of buildings within the precincts of Parliament Hill.

* * *

FISHERIES

Mr. Peter L. McCreath (South Shore): Mr. Speaker, the problems of the Scotia Fundy groundfishery are well known. Too many fishermen have too great a capacity to harvest too few groundfish. Clearly, our future lies in part in reducing our capacity, but is it reasonable to ask fishermen to stop being fishermen or plant workers to stop being plant workers?

Surely, our real future lies in encouraging and making it viable for significant numbers of our fishermen to pursue and harvest species other than those traditionally harvested by Canadians. Silver hake and dogfish are examples of two species for which there is specific foreign demand but for which there is inadequate harvesting and processing capability in Canada today.

I believe it is appropriate as part of the government's management strategy to make every effort to ensure that Canadians take full advantage of our Canadian fish resources. Accordingly, I encourage the special cabinet committee to establish or recommend the establishment of a special fisheries diversification fund to benefit and assist coastal communities in Atlantic Canada to adjust to the new reality of the Atlantic fishery as well as to maximize benefits from our fisheries resources through both diversification and maximum value added processing.

* * *

UNEMPLOYMENT INSURANCE

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, as you are aware, the government has its horrendous revisions of the unemployment insurance legislation before the House at the present time. An outstanding injustice that has not been addressed by the Conservative government is the fact that the spouses of military personnel cannot collect unemployment insurance benefits when they are stationed abroad.

A Canadian base abroad is still a Canadian community. It is administered under Canadian law. Our Canadian nationals cannot get a job, for instance, in the West German economy by virtue of their being Canadian citizens. More often than not, employment opportunities are very limited on the base itself. Not only do they give up their jobs in Canada when they are posted abroad but they may end up jobless with no available unemployment insurance benefits. This is something that would not happen if they were stationed elsewhere in Canada, or in the United States.

This is an injustice that should be addressed by this government. However, considering the destructive, reckless and shoddy way that this government has treated the Canadian forces, there is probably little hope of it addressing this issue.

* * *

CO-OPERATIVE HOUSING

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I would like to commend the Minister of State for Housing and the department of housing for the dramatic increase in the limits available to co-operatives wishing to develop housing projects. These limits have been increased from 75,000 to 500,000 and will now allow many co-operative ventures in my riding to qualify to develop affordable housing which up until this time would not qualify. This funding is made available through interest free loans to the successful applicant co-operatives for costs for land purchases, regulations and actual construction.

Many areas of my riding in northern Nova Scotia are not high income areas and this new program, through Canada Mortgage and Housing, will be welcome. In fact, I am already receiving positive response.

* * *

FOREST INDUSTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, these days a job in the forest industry means that workers are in an occupation that is among the most dangerous in Canada. Forty workers a year are killed on the job. On Monday, a logger from Powell River, British Columbia, was killed in the same area that his brother was killed in just three months ago.

According to the IWA, 75 per cent of accidents occur in non-union firms. There are no safety committees and WCB regulations are not followed. This situation has reached a critical stage and I call on the Minister of Forestry to use the powers given to him in clause 8 of the new forest department legislation to appoint a committee of workers, industry, government and compensation agencies to recommend measures to bring a halt to this carnage.

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[*Translation*]

COOPÉRATIVE D'HABITATION DES MOISSONS

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, I welcome the opportunity to represent the Government of Canada this week at the official opening of the Coopérative des Moissons, a project for less advantaged families.

The Minister of State (Housing), the Hon. Member for Don Valley East (Mr. Redway), asked me to congratulate, on his behalf, all those who helped build this splendid, 22-unit project, and especially the members of the Coopérative d'habitation des Moissons.

Under the Non-Profit Housing Program, the Coopérative will receive financial assistance estimated at $165,674 annually. This subsidy will be spread over a period of 35 years.

Furthermore, no cost mortgage insurance for the full amount of approved construction costs, namely $1,347,742 was underwritten by the Canada Mortgage and Housing Corporation.

Mr. Speaker, this housing project is another splendid example of what can be accomplished when people and governments work together to build decent housing at affordable prices.

* * *

LINGUISTIC MINORITIES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, in answer to my question in the Official Languages Committee on Tuesday October 31, the Chief Statistician of Canada said that Statistics Canada was not sure whether language would be included in the short form during the 1991 Census.

Mr. Speaker, this is unacceptable, considering the importance of this kind of information in connection with section 23 of the Canadian Charter of Rights and Freedoms which deals with the right to be educated in the minority language where numbers warrant. If we have to count these numbers, we should count them properly.

Furthermore, such a decision would jeopardise implementation of new regulations arising from the Official Languages Act, to establish significant demand, which I hope will soon be determined on by the Government.

Mr. Speaker, Statistics Canada should change its position and reverse a decision that will be harmful to language minorities across the country, both in and outside Québec.

ORAL QUESTION PERIOD

[*English*]

MEMBER OF THE SENATE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I regret the absence of the Minister of Regional Industrial Expansion who has a lot to answer for. In his absence, I want to ask the Acting Prime Minister about statements made by that minister outside the House yesterday.

The minister contradicted what he had been saying in the House and what his officials had been saying and, in effect, substantiated what we have been saying about Senator Cogger's involvement with the Federal Business Development Bank.

On October 31, 1989, an official of the bank told the Canadian Press that the bank never did deal with Senator Cogger directly. In this very House on November 1, the Minister of Regional Industrial Expansion said about that matter:

> Was there anything irregular? There was nothing irregular.

Now we know there was. As the minister himself indicated outside the House, Senator Cogger did work for the law firm for the bank.

When did this fact come to the attention of the Minister of Regional Industrial Expansion and why did he not do the honourable and proper thing and come

back to this House to correct the misinformation given by his official and given by himself on November 1?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member yesterday in a scrum before the press was doing the honourable thing, he was being open with the media in saying what he understood.

What happened is that the hon. member was open and aired what he knew about this matter based upon what a middle-level official had told him verbally. Based on that, the minister said what he did.

It turns out today that the information that he was given by the official is at variance with the facts. The bank will be issuing a statement about that today.

What the hon. member should realize is what we need is freedom to pursue this, freedom not only for the senator but freedom for those who are concerned about this matter, and fairness. This, therefore, should go before the senator's peers and before the appropriate committee. This we are doing. If you believe in that fairness and that freedom, you should support that too.

Mr. Kaplan: Mr. Speaker, we have our responsibilities in this place, and I understand the minister to be agreeing that we do. It is in that spirit that I am asking these questions.

We are entitled to know, after that admission of misinformation to the House, whether these mistakes, if I can call them that, being made at the Federal Business Development Bank in favour of this close friend of the Prime Minister are mistakes that are being made for the benefit of the Prime Minister's friend or whether there is a general laxity in operation at the Federal Business Development Bank.

In the same interview on October 31, the official of the Federal Business Development Bank said that the bank had been told by a lawyer that it could deal with the senator's firm whether or not one of its members was a senator. Who was the lawyer? Where did that legal advice come from? Why did the bank not come forward and correct that as soon as it knew that that statement was certainly not the law?

• (1120)

Mr. Hockin: Mr. Speaker, the course of these questions prove how impossibly unfair the hon. member is in pursuing this on the floor of the House. What must happen is that this thing be fully aired before a proper committee of the Senate.

On the specific point that the hon. member raised, the chairman and the president of the FBDB have made it clear from the beginning that billable work by senators is not to be done for the FBDB. This has been made clear from the beginning and they have made it clear to all of their employees.

Mr. Kaplan: Mr. Speaker, I am not asking questions that should be directed to the senator. I am asking questions that should be directed to the minister who is a member of this place and is responsible for the operation of the Federal Business Development Bank, and where else should they be asked?

In the House on October 31, the Minister of Regional Industrial Expansion told us:

> —the Federal Business Development Bank has hired the law firm of Lapointe Rosenstein on many occasions going back over a couple of decades.

Today in *The Globe and Mail*, a spokesman for the bank corrects that and says that the bank first used Lapointe Rosenstein for legal work in early 1985.

This is the place, and I am asking now of that minister, who gave the misinformation to the Minister of Regional Industrial Expansion who told us the other day that work for Lapointe Rosenstein goes back a couple of decades? Where does that misinformation come from?

Mr. Hockin: Mr. Speaker, what the hon. member is trying to do is quote a middle level official against other officials in the bank. This whole thing—

Some Hon. Members: Oh, oh!

Mr. Hockin: What he is trying to do is do something that should properly be explored in a Senate committee.

Let me answer his question directly. We know that the hon. member himself is a lawyer, has probably been a member of a law firm. This particular firm has dozens and dozens of lawyers. We will have to do a computer search to find out how far back individual lawyers did work for the FBDB.

You understand that when you act as an agent for the FBDB, it can be on a matter as small as a $10,000 loan to something large. That firm clearly is a major firm in Montreal. It has a number of partners who very clearly could have done work for the FBDB. They will have to search their files to see how far it went back. It is clear

that they have done work for many years and certainly before 1986.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is about the same topic. I want to tell the minister who just answered that this is responsible government and we expect answers to be coming in this House and no stonewalling.

Two days ago, Senator Cogger apparently had not worked for the FBDB while he was a senator. Yesterday he had. Today again he has not. When are we going to get straight answers and why can we not have a full royal commission of inquiry to look into this thing? Why can we not find out the truth?

Mr. Hockin: Mr. Speaker, it is precisely hyperbole like that which does not do justice to the fairness and integrity of our legal system. If we are going to protect the freedoms of everybody included, to be fair to everybody included, we have to have a proper pursuit of this, not on the floor of the House but before the senator's peers, which will happen.

[*Translation*]

Mr. Boudria: Mr. Speaker, I have a supplementary for the same minister who, this morning, has refused to answer practically any questions at all and even contradicted his own colleague who was answering questions yesterday.

I would like to know why yesterday, the Minister did not make a statement in this House to correct himself. Why aren't we given the right information? And I also want to ask the Minister what explanation he has for the fact that the Federal Business Development Bank's correspondence refers to Mr. Cogger as the Hon. Michel Cogger. Didn't the Bank realize that in this case, it could only mean he was a senator? Didn't the Bank realize it had violated the Parliament of Canada Act?

[*English*]

Mr. Hockin: Mr. Speaker, we know that in the operation of any law firm, and especially dealing with the Federal Business Development Bank which has millions of dollars worth of contracts, communications of all sorts come from various lawyers, small matters and large matters. This particular billing in fact was quite small. It would not necessarily be brought to the attention of the president or the chairman of the bank.

What the hon. member must realize is that what I have said today is that the evidence indicates that what the minister said yesterday in the scrum was at variance with the facts. The bank had looked at this and it does not have written evidence that what the minister said was true. Therefore, the verbal advice he was getting from a middle level official was not accurate.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question also is directed to the minister, in the absence of the Minister of Regional Industrial Expansion. The statement of the Minister of Regional Industrial Expansion on October 31 was that the responsibility that he has, that this government has, is that the Federal Business Development Bank conduct itself properly. That was three days ago. Yesterday the minister responsible indicated that Senator Cogger had in fact been directly involved in contracts and had received financial benefit for those contracts from the FBDB.

I want to ask the minister who is now answering, how can we seriously accept the assurances of this government that this minister was doing his job when three days ago, he recognized he had a responsibility to get the facts and yesterday he misled the Canadian public? What is the specific answer? Did Senator Cogger at any point receive any financial remuneration whatsoever for work that he had done for the FBDB while he was a Senator, yes or no? Come clean with Canadians.

Mr. Hockin: Mr. Speaker, the hon. member made a highly misleading statement. He said that the FBDB paid the senator a certain amount of money. That allegation is totally untrue. All billings go to the law firm and he knows that. He is a lawyer. It is not fair and it is not just to allege otherwise.

Mr. Robinson: Mr. Speaker, we still do not have a clear answer as to the fundamental issue here, which is whether or not Senator Cogger did in fact at any point, after he was named to the Senate, receive a financial benefit for work that he had done for the FBDB in contravention of Section 14. That is the question that the minister still is not answering.

My supplementary question is this. In view of the fact that a number of colleagues from the Conservative caucus, including the member for Matapédia—Matane, the member for Lévis and others have chosen to absent themselves from the Conservative caucus as a result of investigations which are under way by the RCMP, I want to ask the Deputy Prime Minister, in the absence of the Prime Minister, if he is prepared to exercise some

leadership here, to recognize the deep concern of Canadians about public morality? Is he prepared to indicate to the House whether Senator Michel Cogger will follow the example of his Tory colleagues who are under investigation, do the honourable thing, and either resign or at the very least, get out of the Tory caucus while this is being investigated?

Mr. Hockin: Mr. Speaker, I must ask the hon. member, does he believe in fairness? Does he believe in justice? Does he believe in freedom to pursue a matter? That is going to be done, not on the floor of the House with these kinds of questions which are based on allegations that the hon. member knows are false or inaccurate. It will be done before the senator's peers at Senate committee. All of those questions will be answered there properly, and that is where it should be done.

The hon. member raises further questions in order to get all sorts of different stories running. All of this, in fairness to the senator, and in fairness to those who are interested in this, should be looked at before the committee of the Senate, and that is where it will be looked at.

Mr. Robinson: Mr. Speaker, it seems that there is one standard for some Tory members of Parliament and there is another standard quite different for buddies of the Prime Minister. That is what seems to be going on in the House.

[*Translation*]

My supplementary is a follows, Mr. Speaker. For several years we have been waiting for the government to table conflict of interest legislation. Bill C-114, tabled in February 1988, provides that a Member of Parliament may not use his position to try to influence, for the benefit of his own private interests, a decision made by another person. My supplementary is directed to the Deputy Prime Minister.

When will this Government table its conflict of interest legislation, especially considering the case of Richard Grisé who was convicted of influence peddling, and also the government's other problems with public morality? When will the government finally table its conflict of interest legislation?

• (1130)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Very soon, Mr. Speaker.

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is directed to the Minister of State for Small Businesses and Tourism in the absence of the minister responsible for the Federal Business Development Bank.

It is well known that the bank keeps records of lawyers to whom it contracts work out. Will the minister provide to the House the FBDB's current list of lawyers whom they use for this outside work?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I think that is the kind of question that should be a written question for the House.

Some Hon. Members: Oh, oh!

Ms. Clancy: What's the matter? Didn't you understand it?

Mr. Hockin: The hon. member is trying to make a different point with his question here in Oral Question Period.

The fact is that the Federal Business Development Bank does a great deal of legal work. It needs agents for its work with people who come before it for loans. It also does corporate work. It also makes major inquiries into major policy questions. All this requires lawyers. It has a list.

A written question being more precise, we would provide that list.

Mr. Rideout: Mr. Speaker, all we want is to get the facts, just a little information, and all we get is stonewalling.

My supplementary question is directed to the same minister. Now that the minister responsible for FBDB has confessed that Senator Cogger has indeed provided legal services to the bank after he was appointed a

senator, is the government aware, or has it taken any steps to determine if there are any other government departments or agencies which have utilized the legal services of Senator Cogger or his law firm, Lapointe Rosenstein?

Mr. Hockin: Mr. Speaker, this is the sort of unfairness, this is a lack of justice, this is a lack of basic liberty that is being promoted by the hon. member's party with the cast of these questions. He started with an allegation which he knows has not been proven. It is not clear whether Senator Cogger did any work for the FBDB after he was named a senator. We do not know that. The Senate committee will tell us.

In terms of openness, the complete record on that is being made evident today through access to information. In addition, the lists have been available for years, and they are still available.

* * *

PUBLIC SERVICE ALLIANCE OF CANADA

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the President of the Treasury Board. Some 1,500 parole officers and prison counsellors are on strike for the fifth day. Prisoners eligible for parole are being kept in jail.

Federal parole officers are paid 14 per cent less than their Quebec counterparts and 24 per cent less than those in Ontario. Does the minister think this is fair? If not, why is he letting this situation drag on and risking the security of Canadian prisons and communities?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, following the Conciliation Board report that was tabled last week, mediation was undertaken over the weekend. The mediation talks broke off on Sunday, and the union decided to go on strike Monday of this week.

During the course of the week I have been in close contact with the union to try to ascertain at what time we could get negotiations going again, with the hope of reaching a settlement that would be fair and satisfactory to both parties and that would be in keeping with the over-all settlement that was reached by over 155,000 public servants earlier this year. I am keeping in very close touch with the union. I will do so during the next few days, and hopefully we will get the talks resumed very quickly.

Mrs. Catterall: Mr. Speaker, I think the figures speak for themselves. This is an intolerable pay inequity. Because the government still cannot settle this labour dispute after two and a half years, Canada's veterans have no one to turn to for help in meeting their social, health and financial needs, and access to alcohol treatment and child protection programs for native Canadians are suffering.

Just how long will the minister let veterans and native Canadians be the victims because the government seems unable to settle this contract? When will the minister act?

Mr. de Cotret: Mr. Speaker, if the union is prepared to sit at the table this afternoon I will have the table fully staffed on the part of the employer.

We are willing to negotiate at any time, at any place, at any moment, to get this strike resolved. That is the intent of this government. We will do it as soon as the union indicates that it has a willingness to sit down with us. We are prepared to sit down.

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THE ENVIRONMENT

Mr. Ross Harvey (Edmonton East): Mr. Speaker, in the absence of the Minister of the Environment, I have a question for the Deputy Prime Minister.

Earlier this week, as the Deputy Prime Minister will know, a senior environment department official testified at an environmental impact hearing on the Alberta-Pacific proposal for a huge new pulp mill in northern Alberta. As part of his excellent brief he said: "No other mill should be approved until we have enough information". The Minister of the Environment has declared his support for and accord with the views expressed by his official.

Will the government now exercise its authority and suspend all consideration of the Alberta-Pacific proposal, including environmental impact hearings, until studies of the cumulative effects of existing pulp projects on oxygen levels and fish in the Peace and Athabasca River systems have been completed and made public?

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, the hon. member knows that an environmental review process is under way to gather precisely the information that he seeks.

It is true that a federal official has expressed concern with the scientific data presently available in support of this particular project. The provincial minister of the environment has expressed concern as well. Of course that is why we have a federal EARP process in which the province participates to find out all the facts and to determine what modifications to the project would have to be made to bring it into conformity with all the

standards and regulations we have imposed on this particular industry.

Mr. Harvey (Edmonton East): Mr. Speaker, the point is that until the cumulative impact studies are completed and made public, the hearings are not based on any necessary, essential information. The hearings are rendered thus nonsensical.

In addition to the government suspending those hearings at the moment, I ask: Assuming that the ministry agrees with its officials that "some of the other mills should be revisited to examine their cumulative effect", will the government order new hearings into previously approved projects, especially that of the Alberta Energy Company at Lesser Slave Lake?

Mr. Oberle: Mr. Speaker, there is a parallel process under way. There is an EARP process under way with regard to the Al-Pac project, and there is a study under way looking at pulp mill affluence everywhere in the country.

The hon. member proposes to terminate these processes—

Mr. Harvey (Edmonton East): Suspend.

Mr. Oberle: —or to suspend them in search of information. Why would we suspend these critical processes designed to seek the information the hon. member wants? We want this information as well.

Mr. Harvey (Edmonton East): You won't get half the information.

Mr. Oberle: Perhaps the hon. member would listen. The more we can do to find information to back up the imposition we have already made on the industry in terms of sustainable development and the concept related to it, the better off we will be.

Instead of wanting to terminate or suspend these processes, why does the member not support them and provide evidence to the working tribunals?

[*Translation*]

CANADA POST

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister responsible for the Canada Post Corporation. In 1986, the federal government decided to cut back subsidies for postal services to northern communities, and did so without consulting northern Canadians.

Last night, we managed to obtain a three-month moratorium on an increase in commercial parcel rates that would have become effective on November 13 this year, according to a decision by Canada Post.

Mr. Speaker, my question is as follows: Could the Minister confirm to the House whether a task force will be appointed by the government, involving the Departments of Indian and Northern Affairs, National Health and Welfare and the Canada Post Corporation, in order to find a solution to this very serious problem that will affect all northern Canadians in 1990, and I am referring to postal rates for local air services?

• (1140)

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I would like to thank my hon. colleague for his question.

[*Translation*]

I understand there is now a moratorium, and we intend to set up a task force in order to find a solution, and the Hon. Member will also have an opportunity to state his position.

[*English*]

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, we have just been told that the parcel post rate increase will be delayed by three months, until January 31. The fact still remains that there will be a 32 per cent rate increase, or thereabouts, in the northern commercial freight rate to about 85 northern communities.

Because the cost of living in those northern communities is now two or three times higher than down here, is

the minister prepared to ensure that we are not faced with a food crisis in the north after January 31, 1990?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I can just repeat to the hon. member what I said to my colleague from Abitibi, that is the moratorium is in place to allow a working group to try to arrive at a solution to these questions.

We would be very happy to get input from the hon. member.

Mr. Anawak: I would be happy to be part of that working group, however, there is still a 32 per cent proposed rate increase.

My supplementary question is to the Minister of Indian Affairs and Northern Development. As was mentioned earlier by the member for Abitibi, without publicity, without consultation, and without concern for the health and well-being of native and northern people, in 1986 the government decided to reduce its subsidy to Canada Post for this service by $3 million over the past three years. Will the minister today request his cabinet colleagues to maintain at least the present level of funding to the food mail service of $16 million?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, obviously the working group to be set up following the moratorium announced today will address those questions.

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IMMIGRATION

Mr. Tom Wappel (Scarborough West): Mr. Speaker, my question was to be addressed to the Minister of Employment and Immigration, but in her absence I would be pleased to address it to her parliamentary secretary. The subject is the refugee backlog clearance program.

The House will remember that on December 28, 1988 the minister, with great fanfare, announced her refugee backlog clearance program and stated three points: that it would begin immediately, that it would conclude within two years, and that it would cost $100 million. In the hearings of the subcommittee on immigration on May 9, May 11 and October 24, the minister's own officials contradicted her categorically with respect to all these statements.

My question is simply: Why is the minister saying one thing while her officials are contradicting her in committee?

What are the true answers to these three simple questions: when did the program start, when will it conclude, and how much will it cost?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, the program that was announced is fair and equitable and is intended to respect those who apply for refugee or immigrant status in Canada. It is a major reform we made and we do intend to keep our commitments. We are sticking to our timetable and when the Minister responsible for immigration makes a statement, she tells the truth.

So the system is fair and equitable, it respects the applicants and their cases are reviewed individually with the humanitarian approach that characterizes Canada's immigration procedures.

[*English*]

Mr. Wappel: Mr. Speaker, the hon. minister indicated that when the Minister of Employment and Immigration makes a statement it is correct. The minister made the statement that the program would cost $100 million. Her officials have said, in fact only 10 months later, that it is going to cost $179,568, an 80 per cent increase from her estimate.

As well the minister said that the program would begin immediately, and that was on December 28, 1988. On October 24 in committee, Mr. Bissett, the executive director of the immigration department, said that Treasury Board always had a plan that the program would begin September 1, 1989.

My question is simple. Why is the minister saying one thing and her officials categorically contradicting her? How about an answer to that simple question?

[*Translation*]

Mrs. Vézina: Mr. Speaker, it is a fair and equitable program, a commitment that was made here in the House of Commons, a commitment that we will keep, by respecting the individuals and their financial ability. With the person-years allocated, we have the needed resources to keep to this schedule. We can keep the commitment in the time allowed and we will do so.

[*English*]

TELECOMMUNICATIONS

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, my question is for the senior minister from the prairies, the Deputy Prime Minister.

Is the minister aware that just a few days before the Minister of Communications lowered the boom on the prairie phone systems he received a compromise proposal from the three Conservative prairie governments?

Why did the federal government not even reply to the serious proposal those governments made to the minister? Is this what co–operative federalism is supposed to mean to the prairies these days?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, this question was raised several times and I can assure the House that since the Supreme Court decision on telecommunications, I have met almost all my provincial colleagues on several occasions. My department is negotiating and consulting with the telephone companies and provincial officials every day. We are continuing in that spirit. I believe consultation is necessary. It has already been announced and we are continuing with it, Mr. Speaker.

[*English*]

Mr. Funk: Mr. Speaker, I would like to direct my supplementary question to the minister who just replied.

I have in my hands a copy of the serious proposal those governments made a few days before the minister lowered the boom. He never replied to that serious proposal. That cannot be considered consultation.

I would like to know which of the three principles included in that document he categorically rejected. Was it that the prairie governments maintain control over a prairie phone service, that the prairie governments were willing to concede jurisdiction over interprovincial and international phone service to the federal government, or that the federal and provincial governments should share responsibility for making sure that local users not get clobbered in the process? Why did he not reply to that?

[*Translation*]

Mr. Masse: Mr. Speaker, I would first like to know if the NDP has changed its policy, because it is the same party which always complains that the government does not provide enough federal presence in this country and that Ottawa should direct everything. Now when Ottawa makes a decision which might not be in line with the NDP's centralizing philosophy, but which is in Canada's interest, this party demagogically changes sides and takes another position.

Mr. Speaker, this position is very well known and we will consider it.

* * *

[*English*]

HOUSING

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of State for Housing. Although the new regulations increasing the limits on proposed development funding loans for co–op housing are good news for my riding, will the dramatic increase in limits from $75,000 to $500,000 change the other criteria for qualification? Will low income regions receive priority in application consideration?

• (1150)

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, the change in the increase in the proposed development funding is certainly going to be very helpful, as the hon. member has indicated, in his riding and I believe right across the country as far as co–operative housing projects are concerned. I have to tell the hon. member that the other criteria will not be changing.

As far as giving priority in the distribution of funding for co–operative housing units across the country, that process is done together with consultation with the Co–operative Housing Foundation of Canada. I am sure that that agency and the federal housing agency, Canada Mortgage and Housing Corporation, will take into account the serious concerns of the hon. member, the people of his riding, and the people of other low income regions of Canada in arriving at that distribution.

AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Deputy Prime Minister. Judge Batten of the Court of Queen's Bench in Saskatchewan has ruled that the Bank of Montreal has been arbitrary and high-handed by changing a farmer's loan from a fixed rate of interest to a floating rate of interest and has ordered a refund of $11,246 plus interest for the last six years.

A few farmers like Mr. Raoul Blanchard of Duck Lake, Saskatchewan have gone to court and won refunds for these overcharges by the chartered banks, but thousands have not been able to or could not afford to.

When will the government get behind farmers and order banks to refund these overcharges?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, of course my friend across the way and I share in the concern about high interest rates and the proper application of those interest rates.

The whole issue of farm finance as it relates to the financing of farm operations and the adequacy of our programs, whether it be the Farm Credit Corporation or whether it be provided by the banks, is something that we are currently considering in a very comprehensive way.

I am sure the hon. member will be encouraged by the fact that when we release a policy discussion paper there will be included in the paper a very thorough chapter on farm financing and the future of the family farm. Hopefully we can consider some of those points at that particular time.

Mr. Foster: We look forward with great interest to that paper next Tuesday.

Would the Deputy Prime Minister be willing to direct the Superintendent of Financial Institutions to prepare a report requiring all chartered banks to give a complete and full report on all farm loans which have been switched from a fixed rate to a floating rate without notifying the farmer and on the amount that has been overcharged so that this whole scam which took place in the early 1980s can be exposed and proper refunds provided for?

Mr. Mazankowski: Mr. Speaker, I am glad the hon. member recognized that this took place in the early 1980s when the party of which he is a member was the Government of Canada. It did nothing at that particular time. As is so often the case, it is quick to criticize things that occur, but it did very little when it was in office.

When we came into office we established the farm debt review process which has worked very well. It has acted as an intermediary between banks and other financial institutions and the farmer. The 70, 75 or perhaps even 80 per cent record of success is testimony to the fact that we have provided the kind of mechanisms necessary to deal with these particular issues.

I will certainly take the hon. member's suggestion into consideration. Maybe it will not require an ordering. Maybe the banks would be prepared to do that on their own. I will certainly undertake to look into it.

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INDIAN AFFAIRS

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I direct my question to the Minister of Indian Affairs and Northern Development.

The Grand Chief of the Mohawk Council of the Akwesasne, Mike Mitchell, faxed a letter to me yesterday pleading for multi-departmental government assistance and intervention at the highest level to deal with an explosive situation which exists at Akwesasne, and he stated:

> We are faced daily with providing law enforcement at the border, in the waters, preventing the encroachment of the gambling activities and generally containing any potential violence.

What is the government prepared to do to assist the Grand Chief in ensuring that these people can live with the security and peace all other Canadians are afforded?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, at the beginning of the question I missed whether that letter was addressed to me and faxed to the hon. member. What I understand from the hon. member across the way is that

it was addressed and faxed to the hon. member. I would appreciate being given a copy of the letter.

That being said, Mr. Speaker, we are obviously very concerned with the situation in Akwesasne. I understand there are already some discussions with various departments of this government on the very serious incidents that are occurring there. We will obviously continue to monitor that situation and will intervene as much as we can.

Ms. Blondin: Mr. Speaker, perhaps the letter was not addressed to the minister because the chief took the opportunity to brief the members of the department on the issue concerning Akwesasne.

I know that the chief is not unappreciative of the efforts today. However just yesterday he wrote:

> Our border rights and related problems are not even being discussed at a high enough level and unless we have recognition of those rights, the abuses will continue to mount. The anger I am feeling needed to be shared—I sometimes feel that I am left alone to hold back a forest fire that is threatening to consume all of Akwesasne.

Mr. Speaker, through you I ask the minister what immediate action he is prepared to undertake on behalf of these people. This situation is indeed critical, and I know he realizes that.

Mr. Cadieux: Mr. Speaker, I sometimes feel alone too when the letters are not addressed to me and they are asking for my intervention.

Ms. Blondin: You got lots of letters.

Mr. Cadieux: Obviously, as the House knows and as my hon. colleague knows, we have been having some discussions with Chief Mitchell. Other departments have been having those discussions also, and we intend to pursue them.

* * *

PRISONERS OF WAR

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, with the approach of Remembrance Day we had an example last Sunday of the crassest and most outrageous kind of journalistic sensationalism in *The Toronto Star*.

Allegations were made in that newspaper concerning allied troops, including Canadians, who were captured and held as prisoners of war by Germany during World War II. *The Toronto Star* cites American researchers who claim that thousands of Canadian, American, British and other Commonwealth prisoners held in camps liberated by the red army at the end of the war were never released by the Soviets.

I would like to ask the Associate Minister of National Defence, or whoever is responding on her behalf if she would report to the House on what the government has found out on this matter.

Is there any scintilla of evidence that Canadian prisoners of war were held by the Soviet Union after World War II? What efforts have the government made to gather such evidence?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, further to the report published in the newspapers that some Canadians might have been imprisoned in the Soviet Union, the Secretary of State for External Affairs asked his officials to meet with a senior member of the Soviet Embassy to ask him to begin a serious investigation of these allegations.

To date, the Soviet Union has no evidence to support these claims, but has told us that they would investigate and inform us as soon as possible to allay our concerns.

[*English*]

Mr. Benjamin: Mr. Speaker, the other problem is that this is going to cause a great deal of unnecessary anguish to thousands of people in this country who had a loved one declared missing in action and presumed dead or who did not survive a prisoner of war camp. They are now wondering whether that loved one might still be alive.

Would the Associate Minister of National Defence or the Minister for External Relations request the Standing Committee on National Defence and Veterans Affairs to investigate this matter and to call on these so-called researchers and investigative reporters to appear before the committee and to put up or shut up?

• (1200)

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, I would certainly agree with the hon. member that stories like these do cause a great deal of distress. His suggestion is an interesting one. I am sure

that he can make it along with us to the chairman of that standing committee.

I would like to add that in addition to getting copies of the report, to which the member refers, and reviewing it; within the Department of National Defence we are going back over all our old records from World War II to see if there is any evidence at all that there would have been any Canadian who was not accounted for. I would like to assure the member that to date there certainly is no evidence in that regard.

I think it might also be helpful in understanding this issue to say that, as the member may be aware, some of these allegations may have been based on some misinformation, some messages that were sent at the end of the Second World War which implied that perhaps some Americans and British were being held in the Soviet Union. This was at the end of May, 1945. That message was then counteracted within the week to say that that was was not the case, that in fact the message was referring to Soviet personnel who were perhaps being held in some of the western countries. Some of that may have been the cause for this misunderstanding. But I can assure the hon. member and the House that we will pursue every avenue possible with respect to this concern.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's response to 73 petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*English*]

ORDER IN COUNCIL

TABLING OF APPOINTMENTS

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Government House Leader): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government pursuant to Standing Order 110(1).

* * *

COMMUNICATIONS AND CULTURE

FIRST REPORT OF STANDING COMMITTEE

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Communications and Culture in both official languages.

Very briefly, your committee considered the Order in Council appointments of Keith Spicer, Chairman of the CRTC. We also considered the appointments of Mr. Gérard Veilleux, President of the Canadian Broadcasting Corporation, Mr. Patrick Watson, Director of the Canadian Broadcasting Corporation, and the first woman to the National Film Board, Mrs. Joan Pennyfather.

[*Translation*]

Your Committee has examined the qualifications of the persons named and finds them competent to perform the duties of their positions.

* * *

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-43 , an Act respecting abortion.

Mr. Deputy Speaker: Is it the pleasure of the House that the hon. minister shall have leave to introduce the said bill?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

Before the taking of the vote:

Mr. Deputy Speaker: The Chair will recognize the hon. member for Thunder Bay—Atikokan on a point of order.

Mr. Angus: Mr. Speaker, it is my understanding that the government has indicated to its members that some of them will be free in this particular vote. I would therefore respectfully request that you take the vote row by row, rather than in the normal manner.

Some Hon. Members: No, no!

Mr. Deputy Speaker: The practice of the House is to vote the way that we generally do, that is, by party. The only way to modify that procedure would be by unanimous consent.

Some Hon. Members: No.

Mr. Deputy Speaker: There is no unanimous consent. The vote will proceed as usual.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 121*)

YEAS

Members

Bellemare
Bouchard (Roberval)
Bourgault
Campbell (Vancouver Centre)
Catterall
Charest
Collins
Desjardins
Duplessis
Epp
Foster
Gauthier
Greene
Harvard
Hockin
Holtmann
Jelinek
Kaplan
Keyes
Langlois
MacDonald (Rosedale)
Maheu
Marin
Masse
McCreath
Milliken
Monteith
Nault
Oberle
Plourde
Redway
Rideout
St-Julien
Stewart
Van de Walle
Wappel
Wilbee—73
Blondin
Boudria
Cadieux
Casey
Chadwick
Clancy
de Cotret
Dick
Edwards
Finestone
Gaffney
Gray (Windsor West)
Harb
Hawkes
Hogue
Hopkins
Jourdenais
Kempling
Landry
Lewis
MacDougall (Timiskaming)
Manley
Martin (Lincoln)
Mazankowski
McDermid
Mills
Moore
Nunziata
Phinney
Pronovost
Richardson
Rocheleau
Siddon
Thacker
Vézina
White

NAYS

Members

Angus
Benjamin
Fulton
Gardiner
Hovdebo
Karpoff
Langan (Mission—Coquitlam)
Mitchell
Parker
Samson
Axworthy (Saskatoon—Clark's Crossing)
Black
Funk
Harvey (Edmonton East)
Hunter
Kristiansen
MacWilliam
Murphy
Robinson
Young (Beaches—Woodbine)—20

• (1210)

Mr. Deputy Speaker: I declare the motion carried.

Mr. Lewis moved that the bill be read the first time and printed.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay

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

And more than five members having risen::

Mr. Deputy Speaker: Call in the members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 122*)

YEAS

Members

Anawak
Blondin
Boudria
Cadieux
Casey
Chadwick
Clancy
Darling
Desjardins
Duplessis
Epp
Foster
Gauthier
Greene
Harvard
Hockin
Holtmann
Jelinek
Jourdenais
Kempling
Landry
Lewis
Bellemare
Bouchard (Roberval)
Bourgault
Campbell (Vancouver Centre)
Catterall
Charest
Collins
de Cotret
Dick
Edwards
Finestone
Gaffney
Gray (Windsor West)
Harb
Hawkes
Hogue
Hopkins
Jordan
Kaplan
Keyes
Langlois
MacDonald (Rosedale)

MacDougall (Timiskaming)	Maheu
Manley	Marin
Martin (Lincoln)	Masse
Mazankowski	McCreath
McDermid	Milliken
Mills	Monteith
Moore	Nault
Nunziata	Oberle
Phinney	Plourde
Pronovost	Redway
Richardson	Rideout
Rocheleau	St-Julien
Siddon	Stewart
Thacker	Van de Walle
Vézina	Wappel
White	Wilbee—76

NAYS

Members

Angus	Axworthy (Saskatoon—Clark's Crossing)
Benjamin	Black
Fulton	Funk
Gardiner	Harvey (Edmonton East)
Hovdebo	Hunter
Karpoff	Kristiansen
Langan (Mission—Coquitlam)	MacWilliam
Mitchell	Murphy
Parker	Robinson
Samson	Young (Beaches—Woodbine)—20

Mr. Deputy Speaker: I declare the motion carried.

Bill read the first time and ordered to be printed.

* * *

ABORIGINAL LANGUAGES FOUNDATION

MEASURE TO ENACT

Ms. Ethel Blondin (Western Arctic) moved for leave to introduce Bill C-269, an Act to establish the Aboriginal Languages Foundation.

Mr. Deputy Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the bill?

Some Hon. Members: Agreed.

• (1220)

She said: Mr. Speaker, I am pleased to rise to introduce this bill. It is a bill proposed for the purpose of establishing an Aboriginal Languages Foundation, to assist by the way of various activities and programs the revitalization, regeneration and maintenance of some 53 aboriginal languages which are unique and distinct first Canadian languages.

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

PETITIONS

ROYAL CANADIAN MOUNTED POLICE DRESS CODE

Mr. Walter Van De Walle (St. Albert): Mr. Speaker, I am honoured to present to the House pursuant to Standing Order 36 a number of petitions representing the signatures of approximately 13,000 citizens of Alberta. The petitioners are of the opinion that the RCMP dress uniform is a symbol of Canadian tradition and culture and should remain unchanged.

PROPOSED GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have today the duty to table some 10 petitions asking this Parliament to reject the proposed goods and services tax on the basis that the federal government, the present Tory government, has imposed on Canadian taxpayers 31 new tax increases since it took power in 1984; that the present federal manufacturers' sales tax has already been increased by the federal government from 9 per cent to 13.5 per cent; that the Conservative federal government wants to impose on Canadians a new general 9 per cent tax on goods and services. This new tax will be hidden, as we know, from Canadians and will be applied to virtually everything that moves.

The imposition of this new general goods and services tax will cause serious and unfair hardship to low and middle-class Canadians. The imposition of this tax will create an onerous burden on small business.

The people who have signed these petitions pray that the House of Commons call upon all members to reject the proposed goods and services tax.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have the honour to present a petition from people in The Pas, Flin Flon, Snow Lake and Cranberry Portage in my riding, in addition to people from Prince Edward Island indicating their opposition to the government's goods and services tax.

They reject the current proposal and call for reform of the current taxation system so that there is an effective minimum tax on wealthy individuals and corporations.

They want to ensure that if and when there is broad public consensus on a sales tax measure to replace the manufacturers' sales tax, this reform not be an opportunity for the government to impose a massive tax grab. They wish the House of Commons to cause the govern-

ment to cease with the proposal that will shift the tax burden to the ordinary Canadians through a regressive consumption tax instead of real tax reform.

I want to indicate that in addition to this petition I and the New Democratic Party leader from Manitoba, Gary Doer, gave to the office of the Minister of Finance 30,000 cards against the goods and services tax this morning.

VIA RAIL

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition which is in proper form.

It has to do with the government largely closing down VIA service. It is signed by Canadians predominantly from eastern Ontario, but a strong predominance of those people are from my own riding of Leeds—Grenville. They object strenuously to the discontinuation of service that VIA has been providing.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): It is my honour and duty to present on behalf of a number of petitioners, mostly from Manitoba, a petition which asks the Parliament of Canada to maintain VIA Rail in its present national network, to upgrade VIA Rail with new equipment, to pass a passenger train act giving VIA Rail a firm legislative mandate and, finally, to have a revised costing arrangement to be arranged with the railway companies.

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I too have the honour to present a petition pursuant to Standing Order 36 which has been certified correct as to form and content.

The petitioners from various points in Ontario say that the government has failed to provide the resources necessary to fulfil its promise of improved passenger rail service.

They call upon Parliament to maintain, improve and modernize VIA Rail service in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation.

[*Translation*]

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I have the honour to present a petition from Canadians, pursuant to Standing Order 36. These Canadians are opposed to the Government's plan to cut VIA Rail service.

[*English*]

PROPOSED GOODS AND SERVICES TAX

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I too have the duty and the privilege to present a couple of petitions on behalf of Canadians who are concerned about the goods and services tax.

I stand pursuant to Standing Order 36. These petitions have been certified correct as to content and form by the clerk.

The petitioners point out that under the GST there would be an onerous burden put on the shoulders of Canadian taxpayers. They also point out that it would be, in their opinion, an unprecedented tax grab on Canadian taxpayers, and that it would cause higher inflation, higher interest rates and higher unemployment.

AIR-INDIA CRASH

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am very pleased to stand pursuant to Standing Order 36 to present a petition on behalf of 700 petitioners.

This petition reads that whereas on June 23, 1985, 329 innocent civilians, mostly Canadians, lost their lives as a result of a terrorist bomb explosion aboard an Air-India aircraft; and whereas extensive media research prominently broadcast on TV and radio has shown that this heinous crime was preventable. There were eight warnings, including a test explosion that pointed to impending disaster; and whereas Canadians have been clamoring for a public inquiry to come up with a recommendation that would prevent similar disasters, but last year an identical terrorist bomb destroyed a Pan American jumbo jet in Britain.

Recommendations from a Canadian investigation could have averted the Pan American tragedy, wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to give Canadians a commitment to hold a Royal commission of inquiry into all facts surrounding the Air-India disaster of 1985. This is presented by petitioners from the city of Nepean and also from the city of Ottawa.

PROPOSED GOODS AND SERVICES TAX

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I have the pleasure to rise to present five petitions on behalf of music teachers and the parents of some of their students.

The petition points out that music educators are active participants in the education departments in every province in Canada preparing students to enter the university faculties of music, and that with a sales tax on music lessons Canadian children will suffer, talent will be undeveloped and the future of Canadian music, both nationally and internationally, will be jeopardized.

They are pleading with the government to consider music studies as an educational process and therefore not subject to tax.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, pursuant to Standing Order 36 I have the honour and the duty to present a petition certified correct by the clerk of petitions.

It is signed by 55 constituents of Hamilton West and other parts of Hamilton who humbly pray and call upon this Parliament to reject the proposed goods and services tax.

VIA RAIL

Mr. Stan Keyes (Hamilton West): I also, while I have the floor, have the privilege pursuant to Standing Order 36 to present a petition certified correct by the clerk of petitions signed by some 35 Canadians who humbly pray and call upon Parliament to urge the Government of Canada not to cancel in whole or in part rail passenger service in Canada.

PROPOSED GOODS AND SERVICES TAX

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, I have the honour and privilege to present a petition signed by the residents of Hamilton Mountain.

These petitioners are against the Conservative Government's proposed 9 per cent goods and services tax. These petitioners humbly pray and call upon this House to reject this 9 per cent goods and services tax that is proposed.

• (1230)

VIA RAIL

Mrs. Christine Stewart (Northumberland): Mr. Speaker, it is my privilege and duty to present a petition which humbly prays that this government not cut in part or in whole rail passenger service in Canada. For many it is an essential service. Many people in Canada depend upon VIA Rail passenger service for their livelihood.

Canadians have demonstrated in many ways their concern about the cuts. Tomorrow in my riding there will be a public meeting to back up the signatures that appear in this petition and the many others from across this country.

PROPOSED GOODS AND SERVICES TAX

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I am delighted to rise today pursuant to Standing Order 36 to present two petitions in connection with the goods and services tax. Both petitions, which contain approximately 60 signatures, are signed by residents of my riding. One of them is interesting in that it is signed entirely by the residents of an apartment building at 2233 Eglinton Avenue in my riding. Both petitions call upon Parliament to unequivocally and categorically reject any attempt to bring in a goods and services tax.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to rise today to present a petition on behalf of 35 residents of Kingston and the Islands who call upon Parliament to reject the government's proposed goods and services tax. The tax is perceived to be unfair and inequitable, and the petitioners request that Parliament reject any bill that proposes such a tax.

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have two sets of petitions to table today. The first is signed by 29 residents of Burnaby, British Columbia, from the Chelsea Housing Project No. 8. These residents, who are senior citizens, are very concerned about the government's plan for VIA Rail. The petitioners call upon Parliament to maintain the existing VIA network, upgrade VIA equipment and guarantee VIA sufficient support to carry out its mandate to provide passenger service.

PROPOSED GOODS AND SERVICES TAX

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the second petition is from two sources, a total of 96 residents of Thunder Bay who are concerned with the government's plan for a goods and services tax. A number of members are from one of the women's organizations in Thunder Bay and are employees of the Canadian Grains Commission. They have all signed the petition that rejects the GST as being very unfair to lower and middle-income families. They point out the government is now trying to tax reading, haircuts, diapers, coffins and home heating fuels, and as northern

residents they are very concerned about the impact on their ability to survive.

VIA RAIL

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, it is my pleasure today to present two sets of petitions pursuant to Standing Order 36. The first set of petitions is signed by residents right across this country of ours who have recognized the difficulties that have arisen as a result of this government taking a broad axe to VIA Rail service, and have also recognized the fact that a one-third of one per cent reduction in our prime interest rates could have saved the same amount of money that the cuts to VIA Rail have imposed.

The petitioners have asked that the government maintain, improve and modernize VIA Rail services in those areas of the country where it can provide a more rapid, economical, safe, convenient and, I might add, environmentally sound and energy efficient alternative to other means of transportation.

PROPOSED GOODS AND SERVICES TAX

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Another set of petitions, Mr. Speaker, that I have to present today again are signed by people throughout this country of ours. These signatories are concerned about the economic impact that the proposed goods and services tax measures will impose upon ordinary Canadians from Victoria to St. John's. The petitioners are asking the government to ensure that if and when there is a broad public consensus on a sales tax measure to replace the current manufacturers' sales tax that this reform not be an opportunity for the government to imposed a massive tax grab on the Canadian people.

Mr. Deputy Speaker: I am sure the House will give consent to revert to introduction of Private Members' Bills for the member for Kingston and the Islands. Is it agreed?

Some Hon. Members: Agreed.

Routine Proceedings

DEPARTMENT OF AGRICULTURE ACT

MEASURE TO AMEND

Mr. Peter Milliken (Kingston and the Islands) moved for leave to introduce Bill C-270, an Act to amend the Department of Agriculture Act.

Mr. Deputy Speaker: Shall the hon. member have leave to introduce the bill?

Some Hon. Members: Agreed.

Mr. Milliken: Mr. Speaker, the purpose of this bill is to delete Section 5 of the Department of Agriculture Act. The Auditor General in his report this year to Parliament stated at page 88:

> In our view, the government's extensive and varied use of section 5 of the Act presents a threat to Parliament's role. Parliament should be given the opportunity to review the Act and decide whether section 5 should continue to be used in this manner.

It is for the purpose of complying with the suggestion of the Auditor General that I have introduced this bill. I hope the House will have the opportunity to decide whether this Act should continue to be used in the way it has been in the past on the debate on this bill.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the following questions will be answered today: 127 and 131.

[*Text*]

PRINCE CHARLES PROJECT

Question No. 127—**Mr. Karpoff:**

> In the Toronto housing project known as the Prince Charles project, were required contracts for consulting fees filed with the Canada Mortgage and Housing Corporation, and, if so (a) did these contracts specify what work was to be performed (b) what was this work (c) was it carried out (d) what sums were paid (e) to what person or persons?

Hon. Alan Redway (Minister of State (Housing)): No. There was no requirement to file a contract for consult-

ing fees, as the project was built by a "turnkey" contract, where all costs, including consulting fees but excluding the mortgage insurance premium, were part of the contract between the non-profit group and the developer, Tridel.

IMMIGRATION AND REFUGEE BOARD

Question No. 131—**Mr. Heap:**

1. Are all country profiles complete and available to Immigration and Refugee Board members and adjudicators?

2. Do IRB members have at their disposal case overviews from the refugee documentation centre and, if so, are these being put to use?

3. Are IRB members familiar with the country reports on human rights violations issued by Amnesty International?

Hon. Barbara Jean McDougall (Minister of Employment and Immigration): 1. Yes.

2. No. Case overviews are not prepared by the Documentation Centre of the Immigration and Refugee Board; however, the IRB is developing a data base so that interested parties may have access to decisions of the Convention Refugee Determination Division and abstracts of reasons for the decisions.

3. Yes.

[*English*]

Mr. Edwards: I ask that the remaining questions be allowed to stand.

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN SPACE AGENCY

MEASURE TO ENACT

The House resumed consideration of Bill C-16, an act to establish the Canadian Space Agency and to provide for other matters in relation to space, as reported (with amendments) from a legislative committee; and on motions Nos. 1 and 2.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The first grouping involves motions Nos. 1 and 2 that will be voted on separately. The first question is on motion No. 1.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 76(8) the recorded division on the motion stands deferred.

The next question is on motion No. 2. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 76, the recorded division on the motion stands deferred.

SPEAKER'S RULING—MOTIONS IN AMENDMENT

Mr. Deputy Speaker: The next grouping will involve motions Nos. 3, 8, 9 and 10. They will be grouped for debate but voted on as follows: Motions Nos. 3 and 10 will be voted on separately. An affirmative vote on motion No. 8 will obviate the question being put on

motion No. 9, and a negative vote on motion No. 8 necessitates a vote on motion No. 9.

MEASURE TO ENACT

Mrs. Marlene Catterall (Ottawa West) moved:

Motion No. 3

That Bill C-16 be amended in Clause 16 by striking out lines 19 to 40 at page 6 and substituting the following therefor:

"(2) The Treasury Board shall implement for the Agency a classification plan for the scientific, engineering and related technical professionals that is based on the competence of the person to be employed rather than on the description of the functions to be carried on by such person at the employ of the Agency".

Mrs. Catterall: Mr. Speaker, I rise on a point of order. There has been considerable discussion on Motion No. 8 and I did address it in my comments on the motions generally. I am prepared to withdraw this motion. I think there is unanimous consent to substitute a slightly revised draft. I am not entirely happy with this. It has put a time limit in there that I think is unnecessary. However, it is a substantial improvement over what is now in the bill. In the interests of having protection for the employees, I am prepared to move a motion with the wording that is acceptable to the department.

• (1240)

Mr. Deputy Speaker: Is there unanimous consent to allow the hon. member for Ottawa West to bring in a new motion at this time?

Some Hon. Members: Agreed.

[*Translation*]

Mrs. Duplessis: Mr. Speaker—

Mr. Deputy Speaker: The Hon. Parliamentary Secretary on the same point of order.

Mrs. Duplessis: Mr. Speaker, after discussion, we shall support the new version of Motion No. 8 moved by Mrs. Catterall.

[*English*]

Mr. Deputy Speaker: Motion No. 8 is withdrawn.

Motion No. 8 withdrawn.

Mrs. Marlene Catterall (Ottawa West) moved:

Motion No. 8A

That clause 28 of Bill C-16 be amended by striking out lines 5 through 8 on page 9 and substituting the following:

"28.(1). Where a position in the Public Service of Canada is transferred to the Agency within ninety days after the day on which this Act comes into force, the incumbent of the position continues in the position in the Agency, unless the incumbent otherwise elects prior to the transfer, and any person so continuing is"

Mr. Deputy Speaker: Is there unanimous consent to allow Mr. Manley to move Motion No. 9 on behalf of Mr. Pagtakhan?

Some Hon. Members: Agreed.

Mr. John Manley (for Mr. Pagtakhan) moved:

Motion No. 9

That Bill C-16 be amended in Clause 28 by striking out line 7 at page 9 and substituting the following therefor:

"service of Canada within one hundred and eighty days after".

[*Translation*]

Hon. Marcel Masse (for the Minister of Regional Industrial Expansion and Minister of State for Science and Technology) moved:

Motion No. 10

That Bill C-16 be amended in Clause 28 by striking out lines 16 and 17 at page 9 and substituting the following therefor:

"immediately before the appointment, and any person who was so subject".

[*English*]

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I wish to briefly comment on the amendments to the space agency bill before us today.

We all recognize the importance of establishing a space agency. The comment that I would like to make is in relation to the process that was used. First, it took approximately two years to allow this bill to come before the House which caused a great deal of indecision on how this space agency should be implemented and on the jobs of the people who were involved.

At times it appeared to pit one municipality against another as to the location of the space agency, and at other times it appeared to become a political football. That is what was so terribly wrong in the process which was so important. I hope that it never happens again because it did nothing but cause ill feeling. It caused problems with our scientists and with our astronauts. It is the process that I am really speaking against. I hope that we as members can recognize the importance in moving

quickly on legislation and determining what is best for our country and what is best for whichever program comes before this House.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I wish to deal with Bill C-16 to establish the Canadian space Agency. We have a number of motions and amendments which I strongly support, including the following:

-That Bill C-16 be amended in Clause 5 adding immediately after line 26 at page 2 the following:

"(c.1) assume all existing contracts, memoranda of understanding or other arrangements in the name of Her Majesty in right of Canada related to its functions;"

Also, Mr. Speaker, motion no 3:

-That Bill C-16 be amended in Clause 16 by striking out lines 19 to 40 at page 6 and substituting the following therefor:

"(2) The Treasury Board shall implement for the Agency a classification plan for the scientific, engineering and related technical professionals that is based on the competence of the person to be employed rather than on the description of the functions to be carried on by such person at the employ of the Agency."

Also, Mr. Speaker, motion no 5:

"The principal office of the Agency shall be at such place in Canada as may be designated by the Governor in Council."

Concerning Motion No. 8 which was withdrawn, I find it regrettable that the Government has chosen to be political and to indulge in patronage with regard to the site of the Agency. It is a pity that this jewel of the scientific world should have become a subject of controversy, that the choice of its site should have been a travesty of the decision making process, pitting various municipalities, centers and towns against one another. I suggest that, in this Canadian Parliament, every effort should be made to unite this country instead of dividing it. I think that when the time came choose a site for the Canadian Space Agency, the whole process was abused. In short, I am very disappointed because of the bias involved in the selection of the site.

[*English*]

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

Mrs. Catterall: I rise on a point of order. I wonder if government members could clarify the intent of motion No. 10 and whether it is redundant if motion No. 8A is adopted.

[*Translation*]

Mrs. Duplessis: Mr. Speaker, since we are debating Motions Nos. 3, 8, 9 and 10 I take this opportunity to explain the government's position on all these motions.

First, with respect to Motion No. 3 about clause 16 concerning employees, the government cannot agree because the effect of this amendment would be to repeal the provisions of the bill which provide for special employment conditions for Canadian astronauts.

This suggestion is unacceptable because if we want to provide the best possible opportunities for our astronauts it is imperative that we offer them special working conditions, for their duties are unique.

Pursuant to this amendment, we would create a classification plan "based on the competence of the person" for all professional employees of the Agency.

Although this formula has its good points—it was used in the case of the National Research Council, considered as a "distinct employer"—it would not be appropriate in this legislation. Should this kind of arrangement ever become necessary, it can be achieved through administrative channels.

• (1250)

To sum up, the special provisions of Bill C-16 are aimed at tailoring the employment conditions of astronauts to their unique duties. They provide additional conditions which otherwise would not be offered. Never will they be used to deprive these people of any right whatever.

Therefore we cannot accept the amendment proposed by the Hon. Member for Ottawa West (Mrs. Catterall).

With respect to Motion No. 8, Mr. Speaker, we are pleased to support the new version advocated by the Hon. Member for Ottawa West and we will vote in favour of the motion.

Motion No. 9 has to do with clause 28 and relates to presumption. The amendment reads as follows:

service of Canada within one hundred and eighty days after

This clause concerns housekeeping provisions for the transfer of employees to the Canadian Space Agency.

It is intented to protect the rights of employees during the tranfer and relieve the administrative burden on the Public Service Commission.

Without this clause, any employee tranferred to the Agency would have to wait until it was established that no other person whose name appeared on a priority list was eligible for his position. He would have to wait until the end of the appeal period and would then again be subject to probation.

In short, each employee would have to compete with other candidates for positions which in some cases, the employee had occupied for 20 years.

The period of 90 days is merely a reasonable period of time suggested by Treasury Board and the Public Service Commission for dealing with all the administrative details.

The clause bears no relation to the decision of employees to enter the Agency or not, nor is there any connection with the move of employees to Montreal or Saint-Hubert. These decisions are subject to other conditions established elsewhere in the Treasury Board's directives.

Mr. Speaker, we cannot vote in favour of Motion No. 9 as drafted.

Mr. Speaker, I would also like to comment on what was said by the Hon. Member for Carleton—Gloucester (Mr. Bellemare), who claimed that patronage was involved in the decision to locate the Agency in the Montreal area.

Mr. Speaker, I may remind the Hon. Member that before the election campaign, his leader, Mr. Turner and the Leader of the New Democratic Party, Mr. Broadbent, supported locating the Canadian Space Agency in the Montreal area.

In fact, I would like to say to my colleagues here in the House that the site in Saint-Hubert, since that is where the government decided to locate the Agency, happened to be on land belonging to the Department of Transport and thus to the Canadian government, which precluded any land speculation in the vicinity.

Mr. Speaker, the people in this area prepared a very complete and detailed submission, and that is why their request was approved.

Regarding Motion No. 10 moved by the government, and this is the amendment to Section 28 on deemed appointment, this amendment will help clarify the points raised in committee, Mr. Speaker.

So, the amendment (a) amends the English version of clause 28(2) by deleting the words: "coming into force of this Act" and replacing them with the following word: "appointment."

Mr. Speaker, (*b*) it amends the French version of clause 28(2) by replacing lines 13 to 16 with the following:

«fonction publique, ces agents sont dispensés de stage, sauf s'ils étaient déjà stagiaires lors de la mutation, auquel cas ils continuent de l'être jusqu'à la fin de la période initialement prévue.»

The important point is, Mr. Speaker, that the amendment in the English version protects employees who are subject to probation at the time they are deemed to have been appointed and not at the time the act comes into force.

It does not make sense to relate an employee's probation period to the coming into force of the Act; it is more appropriate to relate the probation period to the appointment.

Mr. Speaker, the b) amendment harmonizes the French with the English versions, with the understanding that employees deemed to have been appointed are not subject to renewed probation.

I therefore hope, Mr. Speaker, that every member in this House will support that provision.

[*English*]

Mr. MacWilliam: On the amendment to Motion No. 8, which is the amended Motion 8(A) I believe, it would be very helpful if members of the New Democratic caucus could actually receive a copy of the wording of Motion 8(A).

In hearing the amended motion presented, I do not believe that we have any difficulty with it, but I would like to receive a copy of the exact wording so that we can make a determination at this time.

Mr. Deputy Speaker: A copy will be supplied to the hon. member immediately. The Chair will give the member a couple of minutes to read the motion.

Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Motions No. 3 and No. 10 will be voted on separately. An affirmative vote on Motion No. 8(A) obviates the question being put on Motion No. 9. A negative vote on Motion No. 8 necessitates the question being put on Motion No. 9.

The first question is on Motion No. 3. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

Mr. Deputy Speaker: The motion is defeated.

The next question is on Motion No. 10. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: The next question is on Motion No. 8(A). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: Because of the result of the vote on Motion No. 8A there is no need to vote on Motion No. 9.

[*Translation*]

On a point of order, the Hon. Parliamentary Secretary to the Minister of State (Science and Technology) (Mrs. Duplessis).

Mrs. Duplessis: Mr. Speaker, on this side of the House we do not support motion no 9. Even if it is not put to a vote, motion no 9 as introduced is not acceptable to the government.

Mr. Deputy Speaker: Anyway, it is not before the House.

• (1300)

[*English*]

Motions Nos. 6 and 7 will be debated together but voted on separately.

Hon. Alan Redway (for The Minister of Regional Industrial Expansion and Minister of State for Science and Technology) moved:

Motion No. 6

That Bill C-16 be amended in clause 19 in the French version by striking out lines 19 and 20 at page 7 and substituting the following therefor:

"présidence du comité à l'un des membres de celuici"—

Mr. Deputy Speaker: Is there unanimous consent to allow Mr. Manley to move the motion on behalf of Mr. Pagtakhan?

Some Hon. Members: Agreed.

Mr. John Manley (for Mr. Pagtakhan) moved:

Motion No. 7

That Bill C-16 be amended in clause 22 by striking out line 5 at page 8 and substituting the following therefor:

"place as the Minister may determine. Further, the Board shall meet at such time and place as may be determined by the Chair and not less than once a year to review the activities of the Agency in terms of the overall mandate of the Agency".

He said: Mr. Speaker, I would like to thank the House for its co-operation, which allowed me to present this motion on behalf of the member for Winnipeg North, who was unable to return to Ottawa for the debate today.

This motion is to create an independent board, a board that will meet at least once a year to discuss matters of importance with respect to the operation of the agency. It is unfortunate that the board, although it is created for good reason, is there and left only to meet at the bequest of the minister whenever he happens to feel so inclined. The intent of the motion is to ensure that at least once per year this board convenes.

In addition, this provides me the opportunity to make some brief comments on the agency, and to express our concern that it has taken so long to finally come to the point where this agency is coming into existence. We hear so often of the government's concerns about financial matters and deficits, that we sometimes wonder whether its entire policy is not driven by fear of the deficit. Here is a very worth-while proposition that, when it is created, is going to streamline some government operations. Maybe in the long run, in spite of some of the initial start-up costs, it will actually save the government some money. In its deficit of ideas and

deficit of policy, it has taken the government forever to get this bill before the House of Commons and have the agency described, defined, announced and in place. It is unfortunate that we have had this lengthy delay.

I said on second reading of this bill that we can only treat with regret the manner in which the government allowed the creation of the Canadian Space Agency to become a matter which divided Canada instead of one which united it. Instead of being the crown jewel in our science and technology diadem, it became a symbol of division, a symbol of region fighting against region. Underlying that is this interminable and unfortunate delay.

We are pleased to be here to support this bill and to support the creation of the agency, to see it finally in place, but not without some regrets about what has happened over the time that we have taken to get here.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I will be very brief. Motion No. 6 was brought in because in the original legislation before the committee we felt that the wording "chairman of the board" was not justifiable in light of the situation today, where we try to ensure that we have non-gender clauses in such legislation. It was felt that rather than use the term "chairman of the board" that the term committee members felt was a much more equitable situation. The difficulty arose in the French translation as to exactly how the non-generic term, if you like, "chair of the board", could in fact be interpreted. I believe this present amending motion has resolved that slight difficulty adequately.

My colleagues and I on this side of the House do support amending Motion No. 7. It was felt that leaving the discretion of the call of meetings for the space agency committee completely up to the minister in charge did not give a strong enough mandate to the members of that board. It was felt, and we agree, that there should be some definition of the frequency at which those meetings could be called upon the discretion of the chair of the board.

So we will be supporting both of these amending motions. I feel that they do go a long way to clarifying slight discrepancies in the original legislation.

[*Translation*]

Mrs. Duplessis: Mr. Speaker, concerning Motion No. 6 put forward by the government, it is to clarify somewhat the amendment that was accepted in committee, since the original version seemed to indicate the chairing of the Space Advisory Board would be shared among board members. For greater certainty, the amendement specifies that one board member only will be selected.

For that reason, Mr. Speaker, on motion no 7, clause 22, which deals with advisory board meetings, the amendment as proposed is hardly acceptable because it is in fact comprised of two aspects neither of which is warranted.

First, under that amendment, the board's chairperson shall call meetings to review the Agency's operations. As the Advisory Board has a mandate to advise the Minister on matters specified by the latter, the chairperson has no authority whatsoever to call a meeting that is not attended by the minister. It is the minister's responsibility to determine the dates and places of the Board's meetings, because of the advisory nature of the board. But that does not prevent the minister from consulting the chairperson on such procedural matters.

Second, under the amendment, the advisory Board would have the responsibility to review the Agency's operations at least once a year. There already exist a number of mechanism to review departmental operations, including the Estimates, the Agency's annual report and the Standing Committee of this House. This means that every member here will have an opportunity to attend the committee and ask questions.

Also, Mr. Speaker, it would be highly imprudent to imply through such an amendment that a body other than Parliament is responsible for the operations of some department. This is why, Mr. Speaker, we found it very difficult to accept and support Motion No. 7, and we will therefore oppose it.

[*English*]

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Motions Nos. 6 and 7 will be voted on separately. The question is on Motion No. 6. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: The question is on Motion No. 7. Is it the pleasure of the house to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

Motion negatived.

Mr. Deputy Speaker: Normally at this time the House would proceed to the taking of the deferred divisions at the report stage of this bill. However, pursuant to Standing Order 45(6), the recorded divisions will stand deferred until six o'clock on Monday, November 6, 1989.

* * *

• (1310)

[*Translation*]

BROADCASTING ACT

MEASURE TO AMEND

Hon. Marcel Masse (Minister of Communications) moved that Bill C–40, an Act respecting broadcasting and to amend certain Acts in relation thereto and in relation to radiocommunication, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, the Broadcasting Bill we are debating today for the first time reflects our concept of both Canada and its communications. It shows our determination to make a choice that takes into account our technological and cultural reality, for francophones as well as anglophones. It also indicates our firm intention to give the Canadian people a broadcasting system worthy of their expectations and history.

First of all, let us retrace the development of our broadcasting system. How did it start? How can we define it? Since its beginning, Canadian broadcasting has had to adjust to Canadian realities: the proximity to the United States, a vast and sparsely populated territory, as well as the existence of two official languages. Every measure taken by public authorities since the turn of the century can be explained by these economic, social and cultural challenges, which lie at the root of the bill before us today. Today's hybrid system, where private companies and Crown corporations coexist, which is controlled by a public agency and which recognizes the existence of two cultural realities, is the product of geographical, political and historical circumstances whose basic characteristics have, in many respects, remained the same.

What has changed, however, is the technology of communications and the significant evolution of Canadian values. Our bill takes these changes into account and proposes to the Canadian people a system more in sync with today's world and better equipped for the future.

In 1919, the Canadian Marconi Company broadcast for the first time regular programming from Montreal. In the 1920s and 1930s radio stations sprang up all over Canada spurred by local or regional needs. A new communications era was opening up with its benefits, its challenges and its dangers. Even in those days the American influence was being felt in Canadian radiobroadcasting. For one thing, for all practical purposes a number of Canadian stations were little more than relays for American stations, some of which purposely set up shop near the border to expand their advertising market and thus deprived our stations of the revenue sources they would need to grow.

This invasion of the waves quickly made Canadians aware of the urgency to establish their own coherent communications system to promote our values. Responding to these concerns, the Government of Canada established in 1928 the first commission of inquiry on broadcasting under the direction of Sir John Aird. The analysis and findings of the commissioners confirmed the suggestion that most radio broadcasts originated from abroad and that Canadians wanted to have their own broadcasting system. The commission also wondered whether it might not be necessary to build a national network, all the more so since it had reached the conclusion that the private sector alone would not be able to fund and meet the requirements of a Canadian

broadcasting system. The possibility of a joint public–private sector endeavour began to gain support. The Aird Commission also advocated annual government grants for public broadcasting, setting as a technical objective clear reception in all inhabited regions of the country, which at the time meant a 200–kilometre wide corridor along the Canada–U.S. border.

Such were the first parameters of a Canadian broadcasting policy designed to meet the major challenges peculiar to our geographic situation and political context: Canadian or American programming; public or private capital; respective responsibilities of public and private broadcasters; commercial requirements of private stations as opposed to their cultural obligations; regulation of contents or total lack of control; and protection of economic interests or diffusion of culture. All these alternatives were already becoming so many factors of the whole problem.

As early as 1929, this awareness of the importance of promoting and protecting culture was particularly strong in Quebec. For instance, the Quebec Government, the only Government in Canada with a French majority passed broadcasting legislation, invoking provincial jurisdiction over education and culture. However, in 1931, the Supreme Court, considering the interprovincial and international nature of the spectrum, ruled that the Government of Canada had sole jurisdiction over broadcasting.

Incidentally, Mr. Speaker, it was not until 1985 that a joint Quebec–Canada Committee took into account the distinct identity of French–language radio and television in this country and set out to harmonize policy in this area.

In 1932, further to the conclusions of the Aird Commission, the Conservative Government under R.B. Bennett passed the Canadian Broadcasting Act which created a national broadcasting system and introduced régulations for the private sector.

The Canadian broadcasting system was born. Basically, it was to remain unchanged, with a public and a private system, both subject to government regulations. Subsequent broadcasting legislation was merely a refinement of the original concept.

In the following years, a number of essential principles were formulated as we developed our approach to broadcasting in this country: radio waves are public property and government–authorized users have responsibilities as well.

Financing must come both from public and private sources; programming must be high quality and have Canadian content; and ownership must be Canadian.

The same principles which applied to radio would also guide the government in the 1950s, when television entered our homes. More than 30 years after the advent of radio, history repeated itself: American television programs immediately found their way to Canadian viewers.

This was the situation in the fall of 1952, when the CBC started broadcasting from its television studios in Montreal and Toronto.

Both stations were broadcasting eighteen hours a week: Toronto in English and Montreal in French and English. Remember, this was 1952! This imbalance would be unthinkable today.

American studios, which had already amortized their production costs on their own markets, offered their programs to Canadian broadcasters at greatly reduced prices. Since our own productions had to be entirely financed by our own market, they could hardly compete.

This hard economic truth and its dire consequences led to widespread dissatisfaction. That is why in 1955, the government appointed a second Royal Commission of Inquiry on Broadcasting, the Fowler Commission, which this time recommanded appointing a Board of Broadcast Governors.

In 1958, under a Conservative Government, legislation was passed defining the mandate of the Board of Broadcast Governors. The Board granted licences to private television stations with affiliated status with the CBC. The dual system already in existence in the radio sector was also applied to television.

The same Board imposed Canadian content requirements on owners of private stations. This measure was not always successful, since private broadcasters were

torn between their financial commitments and social responsiblities.

This situation forced the Government to rethink its policy, and in 1968, Parliament passed a new Broadcasting Act.

• (1320)

This time, a regulating body with increased powers called the Canadian Radio–Television and Telecommunications Commission, or CRTC was suggested. But the legislation allowed private broadcast licensees more freedom of action in their efforts to achieve the Canadianisation of the airwaves.

For that matter, the CRTC has recognized over the years the fundamental differences between the Francophone and Anglophone markets. This was demonstrated very clearly in its decision concerning the specialized television network which called for different regulations in the case of companies broadcasting in French and those broadcasting in English.

Since 1968, Canada has changed and technology has improved. Already, in 1985, I had come to the conclusion that the legislative radiobroadcasting policy and framework were somewhat inadequate to reflect the new realities of our time. So the task force on broadcasting Policy was set up to examine such issues as cable distribution, the independent production industry, public broadcasting financing, the private cable distribution regulating framework, the impact of new broadcasting technologies, as well as the social, economic and constitutional changes which had occurred since the radiobroadcasting legislation was adopted in 1968.

The task force confirmed the cultural supremacy of the Canadian Broadcasting System and recommended the recognition in both spirit and letter of the distinctive characteristics of French and English broadcasting. It insisted on the need for drama programs which would reflect the identity of the Canadian society in its cultural and regional diversity. The task force examined the new technologies which, although they can foster progress, can also be a disrupting factor for the legal framework defined over 20 years before.

Following a thorough review of the issue, the Standing Committee on Communications and Culture submitted to the Government a series of recommendations for the drafting of a new legislation.

Later on, the Government introduced in Parliament a new bill consistent with the current needs and views of the Canadian society. The Senate failed to adopt this legislation, and election having been called.

Since last March, I have met with representatives of the cultural and broadcasting industries everywhere in Canada.

You will allow me, Mr. Speaker, to note first of all the major improvements over the 1968 Act: explicit recognition of the contribution of women, children, cultural minorities, native peoples and the disabled, as well as the need to reflect the multicultural character of our society more faithfully; recognition of the special characteristics of the French–language market; revision of the Canadian Broadcasting Corporation's management structure and of its accountability to Parliament; explicit recognition of freedom of expression and of journalistic, creative and programming independence; legal neutrality concerning distribution technologies; in addition, the CRTC, under the new provisions of the Railway Act, will take account of the requirements of the Broadcasting Act in regulating telecommunications; permitting cable companies to create programming, while granting the CRTC the power to arbitrate any conflict of interest situations which may arise and if necessary require cable companies to broadcast other specific programming services.

As for Canadian content, the CRTC will have the power to implement a new system to give broadcasters incentives if required. Note that for some time, broadcasters have been making additional efforts in this direction.

The Governor in Council will be able to give the CRTC general instructions, which must first be reviewed by Parliament.

The new wording will enable companies producing signals and their authorized agents, including cable distributors, to take legal action against those who pirate signals for commercial purposes and who steal their coded signals.

Furthermore, we will use this legislation to make the following changes.

First, the Canadian Broadcasting Corporation will actively contribute to cultural expression and to exchanging the various forms that expression may take, and this approach will also apply to its ancillary services.

Second, its president will be a member of the board of directors and will be appointed by order in council.

Third, educational programming, and more specifically programming provided through the facilities of an independent educational organization, will be an integral part of the Canadian broadcasting system. Priority will be given to local stations whose broadcasts will be transmitted by cable.

Mr. Speaker, Canada has decided to relieve the CBC of the obligation to promote Canadian unity and to substitute therefore the obligation to report on the cultural reality of this country. Unity can only come about as a result of a sense of shared identity. The role of our information media is to describe events, not to promote policy. It is therefore unthinkable that Canada should persist in obliging a government agency to promote an ideology instead of reporting on the actual situation.

That being said, I may note that conscience, a strong identity and quality have been the hallmark of the CBC since it was created in 1936. The Corporation made its presence felt across Canada and played an essential role in Québec. It was in the forefront of social change, and has been a tenacious promoter of linguistic and artistic quality, which continues today. I have said many times that this Crown corporation should be the cornerstone of the expression of our cultural reality.

The proposed legislation defines the mandate of the CBC and clarifies its responsibility with respect to the need for Canadian, regional and cultural programming. The role it is asked to play today differs substantially from the role it has played in the past. As a public broadcaster, the CBC must offer Canadians what they are entitled to expect from a service financed with public funds.

One of the most complex aspects of this approach is probably how to meet these expectations. The CBC could do more if it had twice as much funding. I imagine the same applies to health insurance, environmental programs and all the other services offered by the government. The truth is, we cannot afford this kind of luxury.

Because of budgetary constraints, the CBC has been very actively seeking advertising revenue. This approach has not been well received by private broadcasters and has certainly had an impact on programming. Of course, the CBC could decide, of its own accord, to drop advertising on its television network as it did on radio. This certainly deserves further consideration.

From the outset, our broadcasting system has reflected our Canadian values. The proposed legislation reflects the political and cultural changes in Canadian society, its confidence and its maturity. It will benefit the entire population because Canadians will have a broadcasting system that is more complete and closer to their reality.

[*English*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I listened with a great deal of interest to what the minister said and found his speech to be a well-thought out historical retrospective which indicated his understanding of the complexity of the public and private sector and the use of Canadian airwaves.

I wish to make a series of observations in the hope that the minister will listen and recognize these as constructive observations so that, hopefully, we will be able to unanimously adopt this bill at third reading.

[*Translation*]

In that respect, I am honoured and pleased to share with this honourable House and all Canadians what I think of Bill C-40, an Act to amend the Canadian Broadcasting Act.

The bill follows directly from the Kaplan-Sauvageau Commission's report as well as from four reports tabled by the Standing Committee on Communications and Culture. Moreover, the Government already tabled a bill almost identical to the legislation now before us, but that twin died on the Order Paper when the 1988 election was called.

• (1330)

We Liberals believe that by reason of geographic, demographic and cultural conditions in Canada, the Government has a prime role in a cultural sector as strategic as communications and broadcasting, a prime and vital role. In order to grow as a distinct, sovereign and prosperous nation from coast to coast, we have had

to face on a daily basis the challenges of climate, geography and the permanent attraction of the powerful giant south of the border, our American cousins.

There is no doubt that without a constant and unflinching determination to be ourselves and the direct and constant involvement of our government, never would we have survived or would we have preserved our own identity.

The Canadian Government gave us such tools as a national railway system, a national Post Office, a national radio and TV network, a national airline and various other parts of a coherent infrastructure that is absolutely essential to the development of Canada as we now know it, or I should rather say, Mr. Speaker, Canada as we knew it yesterday because there is no doubt that this government has a deliberate agenda to dismantle that infrastructure. It is putting Air Canada on the block, it is crippling VIA Rail, it is severing in one fell swoop the links between small communities and the rest of the country, creating a stae if isolation that is totally at odds with the basic principles that allowed this country to advance and develop.

As Liberals, we are going to keep on the fight to preserve those infrastructures, because we are deeply convinced they are essential to this country's future.

[*English*]

I believe the minister indicated that he understood very well. I am glad to see that at least the broadcast bill is not to suffer the same kind of indignity.

With respect to broadcasting in Canada our basic principles remain, those which were constant from the past. Broadcasting is a public service. There is a need for ownership and control by Canadians of the Canadian broadcasting system. There is also a need to make adequate provisions for the financing and broadcasting of Canadian programs of high standards from Canadian sources. Programs of similar standards should be sought from other sources.

The primacy role of the public sector is to serve both English and French speaking Canadians equally and fairly, as well as all regions of Canada. Providing for program exchange among the regions is important. The fundamental assumptions are that the airwaves are a limited resource that must be used in the Canadian public interest. As well, the principle is that Canadians in all settled regions of this vast land and not simply those in the large population centres are entitled to a broadcasting service.

The stated principles set out by R. B. Bennett in introducing the first broadcast law in Canada which had the unanimous support of both opposition and government were in part:

> This country must be assured of complete control of broadcasting from Canadian sources, free from foreign interference. Without such control broadcasting can never become a great agency for communication of matters of national concern and for the diffusion of national thought and ideals, and without such control it can never be the agency by which national consciousness may be fostered and sustained and national unity still further strengthened.

One of the main reasons for this approach was best articulated by the Aird commission which said on the central issue of Canadian programming:

> At present the majority of programs heard are from sources outside of Canada.

The situation continues today. The commission continued:

> It has been emphasized to us that the continued reception of these (ideas) has a tendency to mould the minds of young people—to ideals and opinions that are not Canadian—many persons appearing before us have expressed the view that they would like to have an exchange of programs with the different parts of the country—In conclusion, in a country of the vast geographical dimensions of Canada, broadcasting will undoubtedly become a great force in fostering a national spirit and interpreting national citizenship.

I would hope that our children and our grandchildren will end up having a sense of Canada and knowing to the extent that it is important who the leaders of this country are, without getting them mixed up with those of our American neighbour.

Those most important principles remain. They are in large measure reflected in the broadcast policy for Canada found in clause 3 of the bill. The 1968 act needed to be altered to reflect technological change. This the government has done. There is a need to examine the division of responsibility for broadcast policy and the role, management and control of the national broadcaster, the CBC, and the regulator, the CRTC, cable, and the private sector. This side of the House sees some crucial flaws that create the gap in the express need for a Canadian system, for Canadian content and for Canadian control as defined in the purposes and objectives of that clause.

The gaps, the errors or omissions, the mechanisms to set in place some corrective measures have been brought to the government's attention through many representations at hearings held across this country, and amendments were suggested. However, the government seems bent, in certain instances, on different directions. Errors of the past are not fully addressed. Remedial solutions are lacking in some of the key nerve centres of this new bill. This is regrettable, for we have this rare opportunity to fix it where it is broken.

The government seems bent on dismantling this country's infrastructure, and we on this side of the House will continue to fight to build and to maintain. My party believes that the development and maintenance of a truly Canadian broadcasting system is fundamental to the future of Canada. I believe the minister shares that point of view, for the most part, and I hope he will see the need for amendments that I am bringing to his attention right now.

As the minister knows, in 1989 Canada is a culturally occupied country. Some 80 per cent of our publishing industry is in foreign hands. Ninety-seven per cent of films shown in Canada are foreign. Eighty-five per cent of records and tapes are based on imported master tapes. In broadcasting, 71 per cent of all programs viewed by English speaking Canadians on television are American. The figure is much lower in French speaking Canada, but as the globalization takes place that too will be impacted.

The minister has given money and a great deal of attention to certain sectors, but here is where he can really do a job. This is where people watch and listen. Therefore, I would suggest that cultural survival will be perhaps one of the most critical problems our generation of Canadians will have to face. I believe that it can be achieved but only by using all the means at our command.

With Canadians spending 24 hours each week watching television and 18 hours per week listening to radio, what we see and hear on television and radio impacts on how we view ourselves and our world, and what our children are going to think. Broadcasting is the central vehicle through which Canadians communicate with one another, a major instrument for Canadian expression in the arts and entertainment and an essential means for providing a Canadian perspective in news, information and programming.

In addressing the broadcast issue of the present and the future, the crucial test will not be just the extent to which the provisions of the 1968 act are retained. The key test will be the extent to which in a more complex world we continue to retain control by Canadians over the system and to provide a reasonable balance between Canadian and foreign programming.

We live in a rapidly developing technological environment. The coaxial cable technology that led to the cabling of Canadian homes revolutionized broadcasting in the 1960s and 1970s, but that technology is now rapidly being replaced and challenged by the development of cheaper fibre optics installed by telephone companies and cheaper satellite communications being bought by individuals, as well as the growing number of Canadians who have VCRs.

• (1340)

We therefore cannot ignore technology, but we must use it creatively to improve the distribution while ensuring Canadian content through it. Jean McNulty, in a recent article entitled *Broadcasting Policy in the Canadian Context*, sums the situation up very well. She states:

> Communications distribution technologies are seen as both potential national saviours and potential Trojan horses.

It is in that light that we make certain observations and the content that is carried on those systems becomes of utmost importance. It is not counting the number of Canadian buttons pushed and saying that is Canadian content; it is the amount of real Canadian content.

While Canadians are technically well advanced in distribution technology, we are far less advanced in the areas of production and marketing of domestic content. This government must act to ensure domestic production. The government could start by reinstating the 100 per cent capital cost allowance of film and video production which was cut in 1987 to 30 per cent, resulting in significant cuts in production moneys available and in production, of course.

Recently we have learned that the Canadian audience share given to Canadian television stations is significantly lower than that which was sought. What will be the impact now upon the revenues from advertising? Will broadcasters lose resources that could have been earmarked for Canadian productions? These are part of our challenges.

Since Bill C–136 died we had hoped the new minister would have taken the time to reshape a new bill and to put his own imprimatur on the bill.

However Bill C–40 is not such a bill. It is still the hurried bill of a defeated minister with a few tinkered changes.

We had been hopeful that the new minister and the Department of Communications would have prepared a report on all the suggestions and comments that had been made by so many responsible individuals and groups, by so many experts, and at least explain why their concerns had not been met.

I acknowledge the positive and very carefully considered provisions of the bill and yet I wonder about its absences. On the positive provisions, this new bill adds the question of addressing women, children and cultural minorities. Aboriginal peoples and the disabled are specifically mentioned in the legislation as is the need to portray more accurately the multicultural nature of our society. Bravo.

The special nature of the French language broadcasting environment is recognized. The CRTC will thus be required to make these market differences and to take them into account when making licensing decisions. Originators of program signals and their authorized agents such as cable operators will be able to take action in the courts against commercial pirates stealing their scrambled signals.

Provisions have been included making educational broadcasting an integral part of the law and the Canadian scene. Local Canadian stations will be given priority status when carried by cable. There is provision that the president of the CBC be a member of the CBC board of directors and the definition of broadcasting has been changed to give the CRTC more flexibility in dealing with new types of programming services.

I now come to my critique. Bill C–40 drops the CBC's 1968 mandate to contribute to the development of national unity and provide for a continuing expression of Canadian identity. I heard the minister address this point. I do not agree with his observations.

The removal of the national unity reference I know was recommended by both Caplan–Sauvageau and by my own standing committee. The chairman of the committee at that time is sitting here. Caplan–Sauvageau and the standing committee had been concerned that this clause might interfere with CBC's ability to ensure that its programming reflect and interpret as fully, as fairly and as accurately as possible Canada's cultural, social, political, economic, linguistic and regional reality and diversity. I think that it did.

Pierre Juneau, former president of the CBC, told the committee that the phrase "national unity" had not caused any problems during his years at the CBC. The CRTC noted that its interpretation of the term never precluded a free political discussion from all points of view.

Last night, the standing committee reviewed the Orders in Council appointments of Mr. Keith Spicer, Mr. Veilleux, and Mr. Patrick Watson. All three indicated their support and recognized the importance of the broadcasting system as being a key agent for the development of national unity, a sense of shared experience and greater understanding of tolerance and exchange.

I would suggest to the minister that I would like to see the national unity clause put back. It should read something to the effect that the Canadian broadcasting system shall contribute to the development of national unity by providing a continuing expression of Canadian identity leading to the development of national consciousness.

I would like to point out another serious flaw, and that is the part–time position of the CBC chairman.

[*Translation*]

Perhaps the shell is more important that the content. And this is too bad! Because the content is just as important, and the chair–person or chief executive officer must take the time to look after that.

[*English*]

Mr. Watson told us that his work week presently needs nine days. I hope that in the future his work week would only need five days, but certainly not five part–time days. I think that was an error, and I hope it will be redressed.

This bill scraps last year's provision giving the board the power to appoint the president of the CBC subject to the approval of cabinet. Under Bill C–40 the president will be appointed by cabinet, a move which *The Calgary Herald* on October 14 of this year said made some CBC

supporters feel that public broadcasting would be more vulnerable to political control.

There has been a lot of discussion around the appointment of chief executive officers in arm's length Crown corporations, particularly those in the cultural milieu. The Nielsen report recommended that chief executive officers of national cultural institutions be appointed by the board of those agencies upon consultation with the minister responsible.

The Caplan–Sauvageau report supported the Nielsen recommendation. However the president and chief executive officers said they should be appointed by and be responsible to the board of directors in recognition of the principle of arm's length.

Our fourth report stated in concurring with the recommendation of Caplan–Sauvageau that:

> Creative autonomy in a publicly funded broadcasting organization is a precious commodity that must be protected not only from real compromise but also from the slightest hint or appearance of compromise.

This is not to say that the appointments were not fine appointments. They were. I would sincerely hope that the same appointments would have been made following consultation, but I think the provision is there. We may not some day have such an enlightened government able to find such competent people.

The additional flaws that I bring to the minister's attention are the recognition of Radio Canada International, the Parliamentary Television Network and Northern Services within the CBC mandate. This bill provides no recognition of those. Both Caplan–Sauvageau and standing committee recommended that these services be incorporated in broadcasting legislation.

I believe each of these services are key to Canada and that by stating them specifically within legislation official recognition and continuity of service are clearly confirmed by Parliament, whether under the public or private sector joint financing. That is not the issue. The issue is that those services are on our screens or in our radio system.

As to programming in representative native languages, the bill recognizes the right of Canada's aboriginal peoples to receive programming that reflects their culture within the Canadian broadcasting system. It does not provide for such services to be in representative native languages where numbers warrant and as public funds become available. Liberals believe that support of aboriginal languages and through them the transmission of native cultures is so important that the new Broadcasting Act must provide such strong affirmation and the role of the CBC be reaffirmed in that area.

A further critique is that the introduction of that new alternative programming service is an idea that truly has merit. The need for increased cultural and artistic programming is real, but it is totally unrealistic at this time when the CBC is suffering major cut-backs and having difficulty in fulfilling not only its legislative mandate but its CRTC licence commitments. Further, why is such a service defined in the law? We have specialty services. We have pay television services. They exist and are not defined in legislation. Whose ego is to be served here?

Liberals are not saying no to an alternative service which could be very enriching, but the dollars are not there. This type of service should be addressed through the normal CRTC licensing process, including a full public hearing.

• (1350)

We have said that one of the most serious omissions is the extent of the ownership and control by Canadians. It fails to require that all broadcasting undertakings be at least 80 per cent owned and effectively controlled by Canadians, and that no single foreign shareholder may own more than 10 per cent of the shares in any broadcasting undertaking. That has been the concept behind the law since 1958. It was directed under a CRTC cabinet direction in section 22 of the 1968 act. I believe that such important Canadian ownership criteria should be written into that act now to ensure that the will of Parliament is understood for now and evermore. It should not be tampered with.

We believe that by writing this requirement into legislation an open, public debate would then be required before any changes could be made.

I also bring to the minister's attention the question of foreign networks. They certainly should be licensed. Cable networks like CNN, Nashville Network, Arts and Entertainment, about 17 or 18 of them, are doing business in Canada without being required to obtain a licence from the CRTC. However, Canadian satellite networks, TSN and Much Music must. Liberals find this to be unfair.

We believe the government should have provided the CRTC with full regulatory authority over any foreign service earning revenue from Canada with no obligation to contribute to Canadian programming.

When we looked at this issue in the standing committee we noted that CNN has penetrated Canadian households to the extent of almost 435,000 subscribers. Others have reached as many as 400,000, as opposed to some of our own Canadian networks that have not been able to meet that target as yet. I think that the importation of these services will compromise the potential for developing Canadian services in the future. These unlicensed services do not make any commitment to the Canadian good or to the Canadian programming goals. I think that there is something to be said about that.

In Bill C–40, clause 3(1)(s)(iv) provides cable the power to become programmers. While we believe that cable should be provided an opportunity to be a contributor to the Canadian broadcasting system, we note that there are dangers of unfair competition, vertical integration and conflicts of interest. We therefore argue that Bill C–40 should incorporate provisions that would limit the role of cable television systems to providing programming that is not already offered by conventional broadcasters.

We are not saying no to cable operators becoming involved in programming. We just believe the programming they offer should be different and complementary to existing programs. We also believe that their role should be more clearly defined with respect to community cable.

There is no serious provision in this bill for community broadcasting, which is now a significant part of the system. It gives access to community based groups and local stories that are not always on the public agenda. It reflects the dynamism and the vitality of the multicultural dimension of our local communities. It is a very important and distinct voice, different from that of the local independent or unaffiliated station to the national network.

It is a system that the CRTC addresses in a way that differs from its approach to either the public or the private broadcasting system. I would hope that we would broaden the definition of the system.

With respect to cable carriage of Canadian services, the bill does provide a framework requiring that cable give priority to the carriage of Canadian programming services and, in particular, the carriage of local Canadian stations.

This is a good start, but what does it mean? Could the weather channel, Vision TV or the home shopping channel be considered local Canadian stations? Does the priority mean channels 1 to 13 or 1 to 35? Would the community channel be considered local?

Liberals argue that the bill should in defining the essential role of cable systems require that in distributing Canadian radio and television services in French and English, both public and private, first priority be given to the public sector French and English networks and then the other public sector services, followed by provincial educators and certainly then the private Canadian broadcasting sector.

The programming is not defined as being predominantly Canadian. I find this unbelievable. The bill provides that each broadcasting undertaking shall make maximum use and in no case less than predominant use of Canadian creative and other resources in the creation and presentation of programming. Presently clause 3(1)(e) only requires that the resources that contribute to programming must be predominantly Canadian but does not require that the programming provided by the Canadian broadcasting system be predominantly Canadian.

You buy trucks made in Canada for Canadians by Canadians, but you do not necessarily have to show Canadian content programs. I think that needs to be re–examined. It is really quite an amazing clause, and I sincerely hope the minister will look at how we can put the predominantly Canadian aspect back into this clause.

Again there are no limits placed on foreign services carried by cable. That is one of the major failures in this bill, to provide the CRTC with this strong legislative framework that would allow it, to the extent that foreign broadcasting signals are carried, to define them to be complementary to existing programming from Canadian sources. In other words, it should be different. It should allow those Canadian programs that are bought from Americans to have the exclusivity which they thought was purchased by the networks when they discovered that was not really so.

The following approach should be taken. First, to avoid disruption the act should make provisions for those foreign channels now carried to continue to be operated. In other words, grandfather what exists and that is it. Second, the test in the future of whether to permit the importation of any additional foreign service should be that it actually adds something significant to the mix of programming available to Canadians. Specifically the test should offer programming complementary to that already available from licensed Canadian program broadcasters. The ultimate effect is not to dilute the Canadian service.

There is no provision for non-simultaneous substitution, something I have discussed in the past and something I will come back to again. I do not think it is fair the way we expect our Canadian networks to purchase rights and then once they have those rights to be able to attract large advertising dollars. How can broadcasters expect to obtain the advertising revenue when they are not able to attain the total rights to those programs?

The status is unclear for MATV systems. I remind the minister that the previous minister had to stand up and make a million excuses and explanations as to what the circumstances were and in what state MATV systems would be found. Condominium and apartment residents have a right to know where they stand regarding the law. If they have access to a master antenna or to a satellite, are they required to be licensed? Do they pay a telecommunication tax? Do they pay retransmission rights? Under this bill there is no clarity as to whether MATV systems will be considered a distribution undertaking and subject to licensing by the CRTC.

If they are exempt, then let us say they are exempt. According to the former Minister of Communications they were exempt. Why not make that clear in the law? Liberals have argued that condominium and apartment residents have a right to know where they stand.

The last issue I would like to look at is that of the cabinet power of direction and review. The way this bill is written it will seriously jeopardize the CRTC's ability to carry out its role as an expert and independent quasi-judicial body because it will grant to the cabinet two powers: first, to provide policy direction to the CRTC and, second, to review CRTC decisions.

Through these powers the cabinet would have sufficient control to effectively supersede the commission, a method by which to have one's cake and eat it too. We have argued that the cabinet should be empowered to issue binding directions to the CRTC, but these directions should be restricted to broad policy matters in furtherance of the objectives of the Broadcasting Act. Furthermore, the direction should refer to the specific objectives in the act which they seek to further. As well, we believe that such cabinet directions should not have a retroactive effect and should not be issued in respect of a particular licence. Regarding the cabinet's power to review the CRTC decisions, we argue that it must be limited. We support the standing committee's view that the power of review be limited to two situations. First, where the cabinet determines that its direction has been ignored or misinterpreted by the CRTC; and, second, when a decision of the CRTC has national policy implications regarding the broadcast system.

• (1400)

At the end, if I have time, I am going to read into the record Mr. Spicer's very astute observations in this regard. I had forgotten that I wanted to mention that I am not particularly pleased with the seven-year term being turned into a five-year term. I think that what happens to the nominees of both the board of the directors of the CBC and the CRTC is that we end up of having the perception of arms length and independence being distorted.

[*Translation*]

Mr. Speaker, it is comforting to find that this time, unlike its approach to VIA Rail and other elements of our national infrastructure, the Government has not dismantled our broadcasting system. It shows that, even in this Government, a Minister can, if he wants to, protect our heritage and refuse to let economic forces undermine the foundations of our society.

Obviously, this Bill is not perfect and I urge the Minister of Communications to consider very seriously my previous comments. He must recognize that my approach is positive, constructive and, I hope, Canadian rather than partisan.

Like thousands of Canadians, I am concerned about our country's future. Every time I turn on the television and every time I go to a bookstore or a newsstand, that mass invasion of programs, books, music and magazines

makes me shudder. I wonder how much longer we will survive as a people and as a nation with a distinct culture in North America.

In general, when we talk about cultural survival, we think automatically of this country's francophones. In fact, French Canadians and especially Quebeckers have developed such energy, such cultural self-sufficiency that they are now better equipped than anglophones to face up to the cultural invasion we are experiencing.

Living in isolation on this continent as a result of their language, Canada's francophones have developed creative and other skills in producing their own songs, soap operas, literature and magazines. In short, there undoubtedly exists on this continent a distinct French culture which is neither a by-product nor an imitation of the French culture in Europe and elsewhere.

[*English*]

I recognize that there is still a need for financial balancing in Radio-Canada, CBC, and I think that with the enunciations in the new bill we can accomplish the equivalence that has been alluded to.

[*Translation*]

However, the situation is different in English Canada. Culturally, Canada is being invaded, dominated, and occupied by the States. Eighty per cent of our books, 71 per cent of our television programs, and 85 per cent of our records come from foreign countries. They are almost exclusively made in USA.

In the last two decades, Canada has become a leader in the development of telecommunications technologies. We are proud, in fact very proud of our success in that field, and we intend to increase our efforts and do even better.

Unfortunately, progress has been slow in the production area. Technically, we can say we are leaders in development, but culturally, we tag behind.

Mr. Speaker, I believe in Canadian identity. I believe that the links established between Western and Eastern Canada by our predecessors were and still are essential for us to be able do communicate. In learning about each other, Canadians can better understand who they are, they can see how different and independent they are of Americans.

The Leader of the Official Opposition has often described in the most eloquent terms the distinctive characteristics of the Canadian nation. This country is the product of combined British and French traditions. Our Constitution is based on peace, order and good government. We are a people which operates on consensus, moderation and balance. If we have opted for a mixed economy, it is because we felt that it is more conducive to social justice than the strict interaction of the market forces.

In Canada, we respect our aboriginal people we cherish both our founding nations and we encourage them to build for the future. Far from forcing them to conform, we provide them with every opportunity to maintain their cultural identity and thereby contribute to the great Canadian cultural mosaic. The new arrivals are for Canada a source of real enrichment.

It is beyond question that the implementation of the Canada—United States Free Trade Agreement, plus the breaking up of our national infrastructures, plus the destruction of our regional development programs have severely weakened the East-West ties which existed ever since this country came into being, to replace them with increasingly subjugating North South ties.

As elected representatives of the Canadian people, our basic duty is to take all preventive and corrective measures which we fell are needed to ensure the survival and development of the Canadian identity, without which it would no longer be possible to differentiate between a Canadian and an American.

We should make a very special effort to ensure that our national broadcasting network fully plays the vital role in this offensive which is essential to develop our national identity.

Even if we could, we would not isolate our airwaves nor erect a barrier against satellite intrusion. We want to be open to the world. We want to be in tune with national events. We want to discover the universe and its inhabitants. Our approach to broadcasting, therefore, should be progressive, open, dynamic and profoundly Canadian. Generaly speaking, this bill goes in the right direction, but I nevertheless urge the Government, and especially the Minister, to closely study the changes which I have suggested, for they could certainly re-inforce our collective cultural future.

[*English*]

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I rise, as the critic for the New Democratic Party on the issue of communications and culture, to speak on this bill.

[*Translation*]

I am happy to see that the Minister was here to listen to the speeches. Yet, I see no *Oscar* and I am anxious to see the Minister's *Oscar*.

[*English*]

That is why I call him Oscar Masse. I expected to see the minister with his Oscar here today, but perhaps he is hiding it from us.

We have seen this bill before. This is the broadcasting act that was passed in the last Parliament—well not quite, it passed this House of Commons, but it did not get through the Senate and therefore it never became the law of Canada.

We need a broadcasting act because the act that is still in force goes back to 1968. We have had a lot of new technology in the meantime, especially in the cable industry. So we have to update the act.

The previous process was a long one. We had numerous debates here in Parliament and we had long committee hearings. As a result of that process there were numerous amendments made to what I thought was a very flawed bill when the original broadcasting bill was introduced in the last Parliament. I was happy to see that the government accepted some of my amendments and other amendments that were put forward by different groups. We took a bad bill and we made it better, but not good enough.

• (1410)

This is very important. Adults watch television 24 hours a week, and our young people watch it even more. I will say something more about that in my speech later on. I think this is one of the most important bills that this Parliament could consider, so we have to take time with it and we have to do it right. We have to try once again to make this bill better.

There are some changes to this particular bill from the one we debated in the last Parliament. Let me just summarize those changes so that we know what we are talking about. The first one is that educational broadcasters received a clause that they wanted, recognizing their integral role in the broadcasting system. This is something that we in the NDP proposed as an amendment at report stage last time and, naturally, we think it represents an improvement. I am glad it is part of the bill.

Second, local stations are given priority status on cable over satellite to cable services such as TSN and Much Music. That reflects the importance of local broadcasting.

Third, the job of the chair of the CBC is explicitly defined as part-time. That raises some difficulties which we can explore in the committee, which we explored last night when we had Mr. Patrick Watson, the new chair of the CBC board, in front of our committee. He seemed to define it as a full-time job but in the act it is defined as a part-time job. I am confident he will do a good job there. He is a distinguished Canadian. But we have to look carefully at this set-up between a part-time chair of a very conservative board of directors and a full-time president.

The fourth change is that more importantly, the definition of broadcasting has been changed to include SMATV systems in the broadcast act. This means that Bell, which is explicitly prohibited from operating under the broadcasting legislation, cannot operate such a service. This change should be viewed as positive, in my view, since HDTV, or the direct delivery of programs from a central bank to a particular television set upon request, could well be the wave of the future. This is really the future technology. It is important that the criteria of all types of broadcasting be applied to it as well.

In other words, in a few years you will be able to turn on your TV and phone in or press some buttons and call up, as we can here in our House of Commons system, a particular movie or program that you want to see. This is a tremendous tool to education. It could be a tremendous waste as well unless there is some regulatory criteria put on what you can call up. In other words, we want some Canadian content in that as well.

As I said, the previous bill was passed by the House. There were some amendments passed then. There are some good changes in this bill. The bill has been improved in the process but I believe that the bill is still flawed. I want to deal with some of the questions about

Canadian control of communications within Canada, because that is the key issue.

Karl Deutsch, the great social scientist, once noted that the test of nationhood is that more communications take place within a country than between that country and another country. In other words, we communicate among ourselves. By this standard Canada is not doing very well. Three per cent of our film profits stay in Canada. Three per cent of video cassette sales are Canadian made. Ninety-seven per cent are foreign-made. Our own publishers own only 30 per cent of the Canadian market. Seventy-seven per cent of magazines sold in Canada are foreign. Eighty-five per cent of records and tapes sold in this country are foreign. No other country matches the distributing situation we have in this country.

The extent of this problem is best reflected on television. Of the 52,000 hours of English language television programming shown in Canada annually, less than 100 hours are Canadian drama. Of the 27,000 hours of French language television, only 630 hours are original Canadian drama. That is not a very good record.

Francophone teenagers watch foreign programming 50 per cent of the time. Anglophone teenagers watch it 80 per cent of the time. So our young people are being inundated with foreign programming.

I am not one who believes that you should put fences along borders. I believe in having an international outlook. I like to think of myself as a Canadian nationalist with a strong international outlook. I think most Canadians think of themselves that way but I think we are in real danger when we, and especially our young people, are so totally inundated with foreign programming.

There was a report by a committee called the Caplan-Sauvageau committee. Gerry Caplan from Toronto and Florian Sauvageau from Montreal produced an excellent report. I will give you one quote from that report. I admit that I have stolen it sometimes and not really given them the proper attribution, so I will do it now.

They said:

> The reasons for this problem are clear: the public sector which must be the chief purveyor of quality Canadian programming is inadequately scaled and funded; the private sector which should complement the public sector is not doing its job.

If I can summarize that, partly in my own words, the private sector is under-funded and the public sector is not doing its job.

This government has not made it easy to change that situation. I will give you some examples; the trade deal. If I can summarize the problem with the trade deal, culturally, it is this. The government says nothing in the trade deal affects culture. However, in the trade deal the Americans are entitled to take equivalent commercial, if you like, retaliation. So, if you are minister of culture and you want to bring in some legislation changing that situation with film distribution, for example, or tape distribution or magazine distribution, you want to bring in some Canadian nationalist legislation, then the Americans will retaliate against, say, west coast fishermen. Then the west coast fishermen will come to you as the minister and say, "Look, we are getting put out of a job. You had better not put in that strong nationalist legislation." That is how it is going to work and that is why the trade deal affects culture.

The second indication can be seen in the government's approach. The Prime Minister went to France for the bicentennial. What did he do? He just stole out of the Toronto airport a Jean Paul Riopelle masterpiece and gave it to the French. They thought we were crazy giving one of our masterpieces to them. They do not go into the Louvre and walk around the world giving away their masterpieces.

The Prime Minister's action was just, well, we can wheel and deal with our own cultural artifacts. I say that was a sham and a disgrace and it indicated the approach of the Prime Minister and the government.

There is another recent indication of what his government is doing. The Prime Minister met with Robert Maxwell, the international publisher. I bet that meeting was about lowering the requirement on foreign ownership of newspapers. I believe it is 20 per cent. I stand to be corrected, but I think you cannot have more than 20 per cent. I bet, and I predict that there is pressure from Maxwell and there will be changes by this Prime Minister to open up our newspapers.

The fourth indication is on film distribution. Jack Valente, the lobbyist for Hollywood, the friend of American presidents, has the power, if you can believe it, to get the Canadian government to withdraw a bill that it was going to present to the Canadian Parliament. What was

the bill going to do? It was going to guarantee a bit of the slice of the pie for Canadian film distributors. Americans only have 97 per cent, they did not want to make any changes there. So this government, ready–aye–ready, withdrew the bill.

• (1420)

I got hold of its bill and I put it in as one of my private members' bills so that the whole country can see what the original bill was going to do and can see a perfect textbook example of how the Americans influenced our cultural policy and got the Mulroney government to withdraw a bill. That is the kind of thing we are faced with when we are dealing with this government.

Let me return to this particular bill and give some general criticisms of it. I believe, first, that the bill will lead to the increased North Americanization of Canadian broadcasting. We are in a fight to keep this country. It is not just Meech Lake that is the problem in this country, it is the rapidly growing loss of independence in this country through the free trade deal and through the way we are dealing with our own institutions in Canada, including Meech Lake.

The government rejected key standing committee recommendations to ensure a distinctive Canadian market. We believe that this rejection is linked to the trade deal. That is my first criticism of the bill and I will come back to that in more detail.

The second one is that the bill is a gift to the cable industry. Cable gets the right to originate programming far beyond its current community obligations. This mixing of content and carriage creates the potential for a clear conflict of interest. In addition, the government has done nothing to regulate outrageous cable industry profits. Cable is the only territorial monopoly in Canada whose profits are unregulated. The phone companies are regulated.

Finally, cable's right to import foreign programming as it sees fit is in no way limited. MPs in this House will tell you that people are phoning them and complaining about cable fees going up and about what is happening in terms of their dial. The cable industry is making a bundle off of them. They have a 30 per cent rate of return on their profit. Canadians are starting to notice that because they are calling our offices.

Third, while the government has given a broad mandate to the CBC, the corporation has taken such a financial beating over the last five years that, in my view, it cannot realistically meet its legislative obligations in spite of what some of the witnesses said last night.

In the first four years of this government the CBC went from $905 million to $775 million in real terms. Now, with the budget last spring, there is a further $140 million cut–back over the next five years. We may have good people who are going to be in charge of the CBC, but they are going to have to produce loaves and fishes for the CBC, they are going to have to produce miracles. I just do not see how they can do it. The CBC needs money to operate.

The other day the minister announced that he would give some additional funds to the CBC, just like that, to help it over a little period. While we appreciate the CBC getting a little bit of extra money, this is a bad pattern. Last night, Mr. Veilleux, the new Chief Executive Officer, said: "We will try and cut back and if we need a bit more we will go back to the minister".

The problem here is that you open up the danger of political control of the CBC, in even subtle ways, when you have to keep going back for bits and bits of money. You need a five–year plan. That is what the House of Commons committee recommended, a five–year plan properly funded.

The fourth objection in principle is that every report on broadcasting in the last decade has decided that the private sector in Canada is not doing its job in providing a distinctively Canadian service and producing quality programming in Canada. That is the private sector now. This bill does little to change this except to provide the possibility of a performance incentive programming that practically everybody in our committee agrees will not work. The private sector keeps promising the CRTC, it keeps coming back to the CRTC and the CRTC lets it off the hook. If the private sector does not produce this Canadian programming, the CRTC should just take away its licence. Forget the performance incentive programs, they will not work. You must have a strict term. If you do not produce, we will take away your licence. In that way

we get the private sector in this country producing some quality Canadian programming.

Fifth, provisions dealing with broadcasting in representative aboriginal languages and for multilingual broadcasting are insufficient. We should look at this in the committee.

Sixth, the bill creates a so-called alternate television network. It is quite amazing that this bill creates a whole alternate network. What is this network? What is it to do? What are its responsibilities? It is not given any resource, so I believe it will never come into existence. It is a sham. We might look at that further in committee.

Those are some of the objections I have to the bill on principle and some of the areas in which I think it should be amended.

Let me go into some other details of the flaws. As I said, the bill leads to a North Americanization, especially in television, of our broadcasting. The government rejected two key amendments by the New Democratic Party that would say to American superstations on television, new stations if you like, that those stations could only come into Canada if they were complimentary to Canadian stations.

Let me explain that. They have to add something. If Canadian stations such as an entertainment network or an all news network already existed, then the American stations could not come in. That would require legislation protecting Canadian culture. This government will not do it because it is afraid of the Americans. It has a trade deal and it is afraid to do it.

I am not talking about ABC, CBS, NBC or the American public stations or the border stations. I am talking about these new superchannels which I believe could possibly run right over Canadian broadcasters and could in fact put a lot of our private broadcasters right out of business because I do not think our private broadcasters can compete with them. This is not a level playing field. I believe that is one of the flaws in the bill.

I asked the minister why the government did not accept these amendments. I believe the government is hemmed in by the trade deal, by its unwillingness to interfere with American industries, even cultural industries coming into Canada.

The second flaw in the bill was the cable industry being treated too well. I mentioned the right to originate programming. This was in opposition to all previous reports, especially the sixth report of the Standing Committee on Broadcasting, and to many of the witnesses that came before it. The cable industry has a real in with this government. I do not know what it is, but it must have a good lobby. It has certainly been protected in this bill. I wish my Liberal friends would look at that more seriously and not support the cable industry so absolutely in this area.

Another aspect that we have to look at in the cable industry, and we have to face this, is whether we are going to regulate cable fees. The telephone industry is regulated but cable is not. We are going to have one fibre optic line going into a household in the future, into a phone, into a TV or whatever, and we are going to have to come to grips with that. In some aspects, ironically, this bill is already out of date in many ways technologically before it has even come in because technology is moving so quickly. We have to deal with whether or not we are going to regulate the profits of the cable industry. I think we should.

I mentioned the underfunding of the CBC. I want to quote from a distinguished writer from Southam's, Jamie Portman, who follows this area constantly and is one of the best writers of it. He wrote in *The Spectator*: of Hamilton:

> The government has ignored a recent call from an all-party Commons committee that it show its commitment to better Canadian programming by increasing its support of broadcasting by up to $250 million—

That is what Conservative members on that committee said.

> —in fresh funding annually—in real dollar terms, the CBC's budget has shrunk by more than $150 million since the Conservatives came to power.

• (1430)

I will not stay on this. The fact is if you want the public sector to work, you have to fund it. You can have all these wonderful expressions, but if you keep cutting back the CBC dramatically like this, what you are going to see is commercials on *The National*. You are eventually going to see commercials with changes on the radio. You are going to see cut-backs in regional programming, which I think will be a real disaster. Do you remember what I said about Karl Deutsch saying that Canadians have to

communicate among themselves in different regions? If we cut back regional programming, we really cut back the essence of nationhood in this country.

The CBC has been asked to make 95 per cent Canadian content in drama. This is good. I mentioned earlier the figures about our sad lack of producing drama. You tell the CBC to do that on the one hand but on the other hand you do not give it any money. What are they going to do? Where are they going to get the money? They will get it from the regional programs. It is not going to cut back its headquarters on Bronson Street or its place in Toronto. It will cut it back in the maritimes, in my area of Vancouver or in the small areas. That is what will happen. The government has to approach this. The government cannot have it both ways. You cannot say the bill is strengthening Canadian broadcasting while at the same time taking money away from the CBC.

There is a problem in Quebec. The French service has to produce more programs on a smaller budget than its English colleagues. As a result, we see fewer and fewer French drama series. I quote Quebec's creative people, *La coalition pour la defénse des services français de Radio-Canada*, who came to our committee and told us that they have to stay in their studios. They cannot present their viewers with varied settings because it is too expensive.

If you have to compete with *Dallas*, it takes money and it takes resources. Radio-Canada must have those resources to protect and enhance francophone culture.

Those are some of the flaws in the bill. I have summarized them, I think, as best I can.

Let me conclude by saying this. I have spent the last two months touring 16 cities in Canada—all the major cities in Canada.

Mr. Harvard: Are you running for anything?

Mr. Waddell: No, I am not running for anything. I am just telling the members what I saw.

Let me tell you a little story. On three occasions in Saskatoon, Charlottetown and Edmonton I kept running into American tourists in the hotels where I was staying. They were seniors from the States for a trip. I would say: "How are you doing? Where are you from?" "I am from Kansas—I am from here—". "How do you like it?" They loved Canada. What a country! It is relatively secure. The environment is good. People are friendly, efficient and relatively prosperous. In each part of the country, while they are all distinctive you could see a common Canadianism. I wonder what created that common Canadianism in a country that is so huge. I think broadcasting played a big part. There are other parts, such as teachers in schools, education and so on, but broadcasting did a lot. Canadians could see each other and have that kind of common Canadianism that is there across the country.

I am optimistic about this country. I know we are going through a difficult period. I stood up in this House of Commons and voted against Meech Lake because I wanted to see a better deal. I am not anti-Quebec, as I heard some people in the Ontario legislature say the other day.

[*Translation*]

And I can accept Quebec as a distinct society.

[*English*]

We also have to ensure a kind of equal Canadianism right across this country. We can do it. We have a great opportunity in broadcasting.

Remember what I said at the beginning. Think about Canadians watching 24 hours of television a week. Think about from where they are getting their information. Think about those young francophone teenagers who spend 50 per cent of their time watching foreign programs, while the English kids spend 80 per cent of their time doing the same.

We want an open system. But what we need to ensure by legislation is that there is sufficient and quality Canadian programming. As I said, the public sector is underfunded and Canadians have to realize that. They are not going to be able to keep up that standard.

Second, the private sector is not really doing its job, and this bill is not going to help. We had a great opportunity in this bill. We had solutions set out by the Commons committee, the former chairperson is in this House. We had a way set out.

Canadians must make a commitment in the 1990s to a national broadcasting system, to a renewal of Canadian culture, to a bringing together of Canadians, no matter from what part of the country. In this way the people will feel equal and part of Canada. We have to do it through our young people.

That is our vision of where our Broadcasting Act should go. That is why we will propose further amendments to this bill, to try, in spite of that government over there, to make it a more national broadcasting system that really works for Canadians.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I want to begin by paying tribute to those who were the authors of this bill, including the member who has just spoken, and his predecessor Lynn McDonald, the former member for Broadview—Greenwood. They, along with John Gormley, Bob Pennock, Jim Caldwell, the distinguished member for Mount Royal and the current member for Jonquière were those who wrote the reports on the broadcasting policy and the broadcasting law. These were reports of the standing committee. Prior to that, of course, the Minister of Communications had commissioned Gerald Caplan and Florion Sauvageau to do their task force report. That really is the up-to-date foundation on which this bill is fixed.

The hon. member for Mount Royal said that she was looking for a bill that was not hurried. I believe she was referring to some of the activities of last year, and some of the circumstances of last year.

The industry and Canadians have waited. Since the Hon. Francis Fox introduced his first amendments to the Broadcasting Act in the early 1980s, Canadians have waited.

There is no wish on the part of the government to unduly rush this bill. There is a genuine commitment on the part of the minister and the government to make sure that this time we do it right.

There was a wag who suggested at a conference not long ago on the future of broadcasting in Canada that what we ought to do is to pass again the bill of 1968 and add a rider at the end, "This time we mean it". This time we sincerely mean it. We have been able, I think, to do many things which improve the bill of 1968 and the current law.

I will not respond in argumentative detail to the points that have been made by my colleagues opposite. There is another time and another place for that. But I would just touch on a couple of points.

I believe that the member for Mount Royal sincerely believes that circumstances have changed and that the unity clause thus ought to be rethought. I look forward to engaging her in debate on that subject because I differ with her, but I respect her point of view.

I took note of the other criticisms she made about the changes in the bill and the shortcomings, as she saw them, of the bill. I give her my commitment that as we work together on this bill in committee, when it finally does go to committee, that her view will be heard and properly debated.

My friend, the NDP critic, has given us some predictable items I think. We have heard some of them before. But I want to point out to him that there are many things happening in Canadian broadcasting that are positive and, indeed, show the way toward the building of a genuinely strong industry, both in the public and in the private sector.

• (1440)

I had the opportunity on Monday of this week to visit Montreal and see the facilities of Vidéotron and the new video interactive television that has been in place since September 25. I was very impressed not only with how it works but I was challenged by how, as a society, we are going to adapt to this new technology. Also, I was intrigued that the Vidéotron people had decided against creating any interactive games that involve the theme of war. That was, I think, not only an intrinsically good and sound decision, but it also anticipates what might be produced in that mode elsewhere outside Canada. It provided a strong alternative to that kind of game.

I congratulate those members of the Canadian broadcasting community and many others. There are many examples that can be cited, both public and private, of initiatives that have been taken that are distinctly Canadian and which are very, very constructive.

I am glad that the hon. member for Port Moody—Coquitlam acknowledged the $81 million which was announced this week going to CBC to meet the unanticipated contract costs of recent labour settlements. I think that reflects the fact that this government is aware of the need for CBC to survive and flourish.

Also, I would assure hon. members that the government took careful heed of the interchange that took place yesterday between members of the standing committee and the chairman designate and the new president of the CBC as well as the new CRTC chairman. I thought that it was not only significant in the history of Parliament but also totally appropriate that a committee that is dedicated to communications would be dealing with the country's top communicators. It was a very, very

healthy interchange. I was impressed by the performance of all—indeed, by the costumes of most.

This debate is important to all Canadians because broadcasting is more than just a major industry. Radio, television, cable and satellite broadcasts help us to communicate as a people. They contribute to the development of our culture. They help us to interpret our common heritage. They shape our perspectives and ideas. They provide instant access to local, national and international developments.

Radio and television reach into the homes of virtually all Canadians. Like any other media, they offer Canadian creators a national stage to reach a national audience.

Of all the cultural industries, broadcasting has become the principal vehicle by which Canadian creators can reach Canadian audiences. While we are on the subject of creators, I think all of us on all sides of the House were impressed by the well organized lobby which visited us on Tuesday of this week, animated by ACTRA, the Canadian Conference of the Arts and l'Union des artistes and by the response of the minister and the Prime Minister in making a commitment to produce, in the words of my hon. friend from British Columbia and of the Prime Minister.

For all these reasons, the broadcasting system has a vital role to play in the maintenance and enhancement of our cultural sovereignty and in the strengthening of our cultural identity.

The bill before us is designed to ensure that the broadcasting system will continue to play this vital role and that all Canadian broadcasters will contribute in an appropriate way to these fundamental cultural policies. In this respect, the bill addresses directly the major issues and concerns which were brought to the government's attention through one of the most thorough and public policy reviews undertaken by a Canadian government. These issues and concerns stem from two inseparable forces which, together, are changing the face of broadcasting around the world. One of these forces is technology. The other is the trend toward international programming, or global audiences.

Satellites, cable, fibre optics and high definition television are changing the nature of broadcasting and expanding the potential for diversity and choice in programming services. At the same time, the globalization of broadcasting offers rich opportunities for co-operation and cultural exchange.

[*Translation*]

Still, Mr. Speaker, there is a paradox. Although these two forces offer the prospect of greater diversity, ever rising production costs and market pressures create a need for what might be called international entertainment programs which are totally alien to the cultural values of the various nationalities and which increasingly pervade the program schedule of broadcasters throughout the world because foreigners can buy them at cut-rate prices even if production costs are high.

Given the rapid progress of broadcasting techniques in this country, Canadians were among the first in the world to experience the impact of these forces and witness this paradox.

Before drafting the new broadcasting legislation, we decided that our goal would be to tackle the paradox of modern broadcasting in the Canadian context. To put it another way, we would draft a legislative policy and regulatory structure in such a way as to take into account and favour technological progress, while at the same time stressing the diversity and creation of Canadian programs.

For Canada's broadcasting system, that is the challenge of the coming century.

[*English*]

Our broadcasting system provides a truly remarkable range of radio and television signals. There are literally hundreds of radio and television signals, and cable television carries dozens of channels. The mix includes Canadian stations, both public and private, in English and in French, as well as foreign services. Yet despite this range of services our policy review revealed that Canadians want more real choice and diversity. Above all, Canadians want more and better Canadian programs, especially in prime time television and especially in drama.

The attachment to Canadian programming on the part of our French-speaking audience is established. But the issue is the inability of our relatively small audience base to support budgets commensurate with the production values of imported programs.

English-speaking Canadians are now beginning to turn more to our own dramatic programming when it is available and when the quality compares with imports.

Our challenge is to equip our system with the means to generate Canadian programming which addresses the needs of Canadians to see themselves on our screens, to see our stories and our creators amid the sea of imported products. Meeting this challenge is of critical importance for Canadian creators, for Canadian culture and for Canadian audiences.

To respond effectively to this challenge—the government must call upon all elements of the broadcasting system to contribute to Canadian broadcasting policy. The government believes that Canadians within the private sector must play an increasingly important role in the creation and presentation of competitive Canadian programs.

The Canadian Broadcasting Corporation will continue to play its central role as the national broadcaster and as a vital instrument of national development. The recent appointments, as I mentioned earlier, of two outstanding Canadians to head the CBC, confirm the government's commitment to public broadcasting in Canada.

[*Translation*]

Mr. Speaker, we are tabling this bill with the clear impression that we have accomplished an important task. Bill C-36, which the House adopted last September, was the result of a policy review which was unprecedented in terms of its scope and of the extensive public input it generated.

• (1450)

All points of view presented have been considered and all concerns and recommendations have been examined. The public hearings were beneficial to the Bill, which was amended in Committee and in the House before being passed by the Senate.

We believe that it is now time for these legislative measures to become law.

[*English*]

The improvements we have brought to the bill are not fundamental in nature. Its principal objectives remain unchanged.

The bill updates the language of the 1968 Broadcasting Act to recognize and embrace new technologies and to clarify the roles of private and public broadcasters, providing a new legal framework for the regulation of broadcasting. It gives expression to the responsibility of the broadcasting system to reflect the diversity of Canadian society. It recognizes the place and importance of women, cultural minorities, aboriginal peoples and the physically disabled in our society.

One of its important innovations is to recognize the different characteristics of French and English broadcasting in content, in impact and in environment.

The bill strengthens the ability of the Canadian Radio Television and Telecommunications Commission, the CRTC, to regulate and supervise the broadcasting system more effectively and to foster the creation of more and better Canadian programs. It introduces measures which will make both the Canadian Broadcasting Corporation and the CRTC more efficient, more responsive to Canadians and more accountable to Parliament while preserving their independence from the government.

[*Translation*]

The first objective of our strategy, namely to update the legislative framework in which our broadcasting system operates, is critically important. The present Broadcasting Act is 20 years old and out of date. Its description of broadcasting is based on only one of the technologies presently used to distribute broadcast signals, while its statement of policy no longer reflects the constantly evolving roles and responsibilities of public and private broadcasters.

To meet the challenge of the next century, we have broadened the wording of the Act so that it applies to all broadcasting technologies and holds all broadcasters responsible for implementing Canadian broadcasting policy. We have reached this objective in several ways.

First, the policy statement in Clause 3 of the Bill clearly specifies that radio frequencies are in the public domain and that broadcasting provides an essential public service for maintaining and promoting national

identity and cultural sovereignty, regardless of the broadcasting method used.

This clause further says that the Canadian broadcasting system should safeguard, enrich and strengthen the cultural, political, social and economic structure of Canada.

[*English*]

Second, in defining terms such as broadcasting the bill focuses on the activities of creating, presenting and distributing broadcast programs without tying these activities to a specific distribution technology. In this sense, the bill has been called technology neutral.

This marks a fundamental shift in the government's approach to broadcasting legislation. It is an approach that will allow the legislation to maintain its legal authority over all aspects of broadcasting in the face of future technological development and is therefore critical to our over-all strategy.

Third, the bill clarifies the roles of all the players in the broadcasting system, both private and public, and their responsibilities toward Canadian broadcasting policy.

The Canadian Broadcasting Corporation is vital in this enterprise. The bill makes it clear that the CBC will remain the principal vehicle for cultural expression in Canada. It will continue to serve Canadians by providing a distinctly Canadian viewpoint and a broad range of programming including news, variety, drama and sports. The mandate of the CBC, as contained in this bill, expects that the corporation will continue to lead in providing authentically Canadian choices, particularly in popular drama, in both official languages.

But the bill also recognizes that the responsibility for Canadian programs is not that of the CBC alone. For the first time the bill attributes to private broadcasters specific responsibilities for the creation and presentation of Canadian programs. This is an important change. It recognizes the contribution that the private sector has made and should continue to make towards national broadcasting policy.

The bill also recognizes the unique contribution which cable and other distribution services are making to Canadian broadcasting. In defining a role for these services the bill acknowledges that they can and should, where appropriate, contribute to Canadian programming. For this reason, the bill provides the CRTC with the power to mediate disputes between broadcasters and cable distributors so that conflicts can be resolved in the public interest.

[*Translation*]

Finally, Mr. Speaker, in order to increase the diversity of programs available to Canadians, the Bill also provides for the creation of complementary broadcasting services to meet the needs which are not now being met by broadcasters of mass-audience entertainment programs.

[*English*]

The final point that I would wish to make is that this bill before us today is about to lead us to an assertion of Canadian consciousness and to Canadian identity. I submit the nub of the debate, once we get it into committee will be as to whether or not Canadian consciousness and Canadian identity must be the forerunner of what we all believe to be a desirable objective of our country, particularly at this time the objective of national unity. For, indeed, without a consciousness, without the reinforcement of that Canadian essence, unity will not come about.

Mr. Deputy Speaker: The Chair recognizes the chief government whip on a point of order.

Mr. Hawkes: Mr. Speaker, there have been consultations with representatives of the parties and I think you would find that there is unanimous consent to revert to Routine Proceedings for the purpose of presenting the twentieth and twenty-first reports of the striking committee.

Mr. Deputy Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

STRIKING COMMITTEE

TWENTIETH AND TWENTY-FIRST REPORTS OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the twentieth and twenty-first reports of the Striking Committee. If the House gives its consent, I intend to move concurrence in the twenty-first report later. I would ask that we dispense with the reading of that report by the clerk at the table as that report concerns only membership changes to committees.

Mr. Deputy Speaker: Is it agreed?

Some Hon. Members: Agreed.

[*Editor's Note: See today's Votes and Proceedings.*]

CONCURRENCE IN TWENTY-FIRST REPORT OF STRIKING COMMITTEE

Mr. Jim Hawkes (Calgary West): I move that the twenty-first report of the Striking Committee be concurred in.

Motion agreed to.

Mr. Deputy Speaker: Does the House agree to call it three o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being 3 p.m., the House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 3 p.m.

HOUSE OF COMMONS

Monday, November 6, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table in both official languages the government responses to several petitions.

* * *

ORDER IN COUNCIL

TABLING OF APPOINTMENTS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): I am pleased to table in both official languages a number of Order in Council appointments which were made by the government. Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Iain Angus (Thunder Bay—Atikokan) moved for leave to introduce Bill C-271, an act to amend the Criminal Code.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that the hon. member shall have leave to introduce the bill?

Some Hon. Members: Agreed.

Mr. Angus: Mr. Speaker, very briefly, the purpose of the amendments to the Criminal Code subtitled facsimile advertising is to prohibit the sending of unrequested advertisements by facsimile transmission to individuals or companies.

The bill specifically indicates that it is a facsimile communication advertising for sale any goods or services and anyone found guilty of that is punishable on summary conviction and is liable to a fine not exceeding $200.

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

* * *

RECYCLING ACT

MEASURE TO ENACT

Mr. Peter Milliken (Kingston and the Islands) moved for leave to introduce Bill C-272, an act respecting the recycling of refillable containers.

• (1110)

The Acting Speaker (Mr. Paproski): Shall the hon. member have leave to introduce the bill?

Some Hon. Members: Agreed.

Mr. Milliken: Mr. Speaker, the purpose of this bill is to require that manufacturers and distributors of soft drinks and beer charge a deposit on the containers in which those products are marketed, which deposit will be refunded upon return of the containers.

The purpose of the bill is to ensure a cleaner environment in Canada by trying to make it more likely that consumers of these products will return the used receptacles to the place of purchase and get the money back rather than throwing them on roadsides and into garbage disposal dumps across our country.

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

[*Translation*]

PETITIONS

PROPOSED GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is my duty to table some 20 petitions this morning, most of them from my constituents in Ottawa—Vanier, but also from others, who came here during the summer. These people would like to express their opinion on the goods and services tax, this 9 per cent tax that the Government wants to impose or would like to impose in January 1991. These people not only find this tax unfair and regressive but they also find that it imposes an unjustifiable additional burden on small business and in this petition, Mr. Speaker, they say that in their opinion, the House should refuse to implement such a bad tax.

[*English*]

ROUGE RIVER VALLEY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I am very pleased to present to the House today a petition concerning the Rouge Valley in metro Toronto. This is 5,000 acres of beautiful wilderness that the Speaker toured on Saturday to see first hand the beauty of this Rouge River Valley.

The petitioners state that protecting the Rouge, the endangered wildlife and the wilderness area is in the national interest. The interim report of the Royal Commission on the Future of the Toronto Waterfront, which is headed by the Hon. David Crombie, has also recommended that the Rouge valley be protected as a natural heritage park. The mayor of the city of Scarborough and the federal Minister of the Environment are supporting this endeavour, as well as the Save the Rouge Valley Organization and thousands of volunteers.

The petitioners call upon the government to work with the province of Ontario to establish the Rouge River valley as a Canadian heritage land or a provincial park.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, it is my honour and pleasure, pursuant to Standing Order 36, to present 14 petitions from corner store owners in my riding who strongly object to the imposition of the goods and services tax because it will create a costly burden for small businesses.

[*English*]

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a number of petitions that I would like to table this morning. The first petition is signed by 838 residents of northwestern Ontario. They signed this petition while they were attending the Hymers Fall Fair on the Labour Day weekend.

The petitioners discuss the proposed goods and services tax and because of its lack of regard for taxpayers' ability to pay. They go on to point out that they want Parliament to reject the current proposal and to reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations.

POST-SECONDARY EDUCATION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have another petition signed by 201 residents of northwestern Ontario who are primarily native students. They are recording their concerns about the government's approach to native post-secondary education.

The petitioners call upon Parliament to exercise its rightful obligation and duty by withdrawing the draft policy and begin a process of consultation with First Nations and First Nations students who will be most affected by the said policy.

UNEMPLOYMENT INSURANCE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I wish to present a petition from 30 residents of Thunder Bay, primarily regarding the proposed changes to the unemployment insurance system. The petitioners call upon Parliament to reject these cuts in the unemployment insurance system, to propose more meaningful reforms and to concentrate on a labour force development strategy combined with a full employment policy, and an effective regional development policy.

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I also have a petition signed by 266 residents of Thunder Bay who are petitioning Parliament with regard to the future of rail passenger services in this country. They call upon Parliament to maintain VIA Rail, Canada's present national network, to upgrade VIA Rail with new equipment and to give VIA Rail a sufficient budget to maintain its national mandate for passenger service.

FREEDOM OF CHOICE

Mr. Iain Angus (Thunder Bay—Atikokan): Finally, Mr. Speaker, I have a petition signed by 209 residents of Thunder Bay, men and women, who point out that no new restrictive abortion law is needed, that a new abortion law will not stop ex-boyfriends from seeking injunctions under civil law.

They point out that the provinces continue to receive transfer payments to provide necessary health services but do not provide universal access to abortion, thereby contravening the Canada Health Act. They call upon Parliament to reject any proposed restrictive abortion law and to enforce the Canada Health Act by withholding transfer payments to provinces that do not provide universal access to abortion services.

PROPOSED GOODS AND SERVICES TAX

Mrs. Christine Stewart (Northumberland): Mr. Speaker, it is my privilege today to present 10 petitions representing signatures from various communities within my riding including Port Hope, Campbellford and Cobourg. These people wish this government to repeal its proposed goods and services tax.

The people in my riding represent farmers and small businessmen for the most part, people whose businesses operate on a very low margin of profit. They feel that the proposed goods and services tax will bankrupt them and they ask the government to repeal the proposed goods and services tax.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise today with two petitions brought forward from people in my riding, Mission—Coquitlam, as well as people from Vancouver, Burnaby, Cranbrook, Delta, North Vancouver and a petition from Thunder Bay, Ontario. The petitioners are calling on the government to abandon its ill-conceived goods and services tax. They are outraged at a tax that would tax haircuts, diapers, coffins and home heating fuels. I table this petition in compliance with Standing Order 36.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I have the honour to present a petition signed by over 100 people, objecting to the undue burden that will be placed on Canadians by the proposed goods and services tax and calling upon Parliament to reject this tax.

UNEMPLOYMENT INSURANCE

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise to present a petition signed by 485 of my constituents. This petition has been duly signed and authorized by the Clerk. It is from an area in Bonavista—Trinity—Conception which we can call the Isthmus area. This is the area that joins the Avalon Peninsula to the mainland of Newfoundland. It is kind of caught in the sense of identification. It does not really identify with the urban areas of St. John's, and it is a bit different from the rest of the mainland of Newfoundland. These residents sometimes feel that they are neglected.

Unemployment is probably the highest in this area of Newfoundland than in any other place. They are concerned about Bill C-21 which we will be discussing today. They are concerned that unemployment insurance is vital to their well-being. They are concerned that the government is taking away all their contributions, going to make qualifying time more difficult and going to cut down part of the period in which they will receive benefits.

They call on the government to reject these cuts in unemployment insurance and to propose a more meaningful reform, concentrate on the labour force development strategy that will keep them in mind and combine a better employment policy with an effective, regional development policy.

• (1120)

CANADIAN WHEAT BOARD

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I rise at the request of the member for Moose Jaw—Lake Centre to present a petition pursuant to Standing Order 36. The petition is signed by some 33 residents of the province of Saskatchewan, particularly of the communities of Trossachs, Weyburn, Assiniboia, Zenon Park and Burstall.

The petitioners point out that the Prime Minister and the Conservative Party promised during the election campaign to maintain and protect the Canadian Wheat Board, and they call upon Parliament to instruct the government not to remove oats from the marketing jurisdiction of the Canadian Wheat Board and to place oats and barley under the Canadian Wheat Board Act so that in the future, farmers and their organizations must be consulted before changes are made in the marketing of these products.

PROPOSED GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, like Canadians across Canada, my constituents in Kingston and the Islands are appalled by the proposal of the government to introduce a goods and services tax and hundreds of them have signed a petition that I am tabling today, pursuant to Standing Order 36, expressing their opposition to this tax and calling on Parliament to reject the goods and services tax.

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present a petition on behalf of, I suspect, the constituents of the Conservative whip. They are definitely residents of Calgary, Alberta who express their opposition to the proposed goods and services tax and they call upon the government to come up with a fair taxation system rather than the proposal that is before the House now.

VIA RAIL

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have the pleasure to present a petition, pursuant to Standing Order 36, signed by a number of residents of Surrey North. In fact, there are seven pages of signatures. They are saying that they object to the government's reduction in support for VIA Rail and call upon the government to continue this vital service.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, question No. 141 will be answered today. I ask that the remaining questions be allowed to stand.

[*Text*]

UNAUTHORIZED USE OF SOCIAL INSURANCE

Question No. 141—**Mr. Kaplan:**

Are there strong sanctions in place to prevent any unauthorized use of Social Insurance Numbers and, if so, what are they?

Hon. Barbara Jean McDougall (Minister of Employment and Immigration): The U.I. Act provides for sanctions against a person who knowingly makes an application to be assigned a second Social Insurance Number (SIN) when he/she already has one, or to a person who, with intent to defraud or deceive any person, uses another person's SIN, or who, without the authority of the Commission, manufactures or duplicates a SIN card other than a photocopy for record purposes. A person who contravenes any of the above provisions is liable, on summary conviction, to a fine up to $1,000.00 or to imprisonment for up to one year or to both. (Ref. Sec. 110 of the U.I. Act.)

[*English*]

The Acting Speaker (Mr. Paproski): The question as enumerated by the parliamentary secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Hawkes: Mr. Speaker, there have been consultations among the three parties. Members will know that at 4.45 p.m. today, the bells will ring for a vote at five o'clock. The standing orders also require some deferred votes to take place at six o'clock, with a bell to ring at six o'clock.

From the nature of those discussions, I think you will find unanimous consent in the House to hold, first of all, the scheduled vote at five o'clock but immediately thereafter the votes on Bill C–16, and in case an hour is required for private members' hour, we would all be agreed to start the private members' hour after the votes and for it to go on for the normal one hour if it is so required.

If you were to seek unanimous consent, Mr. Speaker, I think you would have it for that reality.

The Acting Speaker (Mr. Paproski): Is it so agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

The House resumed from Thursday, November 2, consideration of the motion of the Mrs. MacDougall that Bill C–21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, be read a third time and passed, and the amendment of Mr. Volpe (p. 5480).

The Acting Speaker (Mr. Paproski): The hon. member for Notre–Dame–de–Grâce.

The last speaker was from the Liberal Party. Therefore, I must recognize a speaker from the NDP and the hon. member for Surrey North has the floor.

Mr. Murphy: Mr. Speaker, I think there is an understanding in the House that the New Democratic Party will get two 10–minute speeches and then we will allow the Liberal spokesman a 20–minute speech.

The Acting Speaker (Mr. Paproski): Is that also agreed?

Mr. Gauthier: Mr. Speaker, I cannot help but say we agree. I would prefer that the hon. member for Notre–Dame–de–Grâce be heard first because he has a doctor's appointment and he just told me that he would prefer to get away before twelve o'clock to attend that appointment. It will not affect the rotation.

Mr. Murphy: We are certainly willing to fit in the doctor's appointment, as long as it is understood that we do not lose our place in the rotation and that we would get a third speaker before the vote comes this evening.

The Acting Speaker (Mr. Paproski): We will see what we can do about it. How can the Chair project at this time whether the last speaker will be from the NDP or from the Liberal party?

Mr. Murphy: Mr. Speaker, we are working on the basis of unanimous consent right now. I think there is an understanding among the three parties that we will get a third speaker before the vote at 4.45 p.m.

Mr. Gauthier: Mr. Speaker, we will make sure that the NDP get an additional speaker. I thank them for their co–operation.

The Acting Speaker (Mr. Paproski): I thank all members for their co–operation.

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, I want to start by thanking the members of the New Democratic Party for their co–operation. I apologize for having to make the request that I did.

Once again, we are debating Bill C–21, a bill which savagely cuts back on our unemployment insurance system. This bill, and this is according to the government's own estimates, will reduce or cut back unemployment insurance benefits by approximately $1.5 billion, and those moneys will be redirected to employment development and training.

Government members and the minister justified this bill on those grounds. They say that employment development and training are absolutely essential and consequently we must put more money into that particular area. We in the Liberal party totally agree that more money should be spent on employment development and training. However, we are totally opposed to paying for that employment development and training with unemployment insurance moneys.

The unemployment insurance fund and the unemployment insurance system were set up in 1940 following the Great Depression to provide moneys to people who were unemployed against their will so that they could take care of themselves when they were unemployed. The moneys in the unemployment insurance fund are meant to provide unemployed Canadians with enough money to pay for their rent, to buy their groceries, to send their children to school; to pay for the essential necessities of life. That is the purpose of the fund and that is the purpose of the system. It is totally wrong to take money from that fund, moneys that are to be used for that purpose, and spend those moneys on employment development and training, no matter how important those things are.

It is interesting to note that this same government reduced the the budgets for employment development and training by 32 per cent since 1984. When they came to office in 1984, the budget for employment development and training was $2.2 billion. Last year, that was reduced to $1.5 billion, a reduction of $700 million over a four and a half year period.

Suddenly, the government is under attack for not putting enough money into training and employment development. What does the government do? It looks around for a place to find money to pay for training. They want to get back into the training business. They look at the unemployment insurance fund and they decide to take the money from there. It is difficult to take the government seriously when after four years, it has been reducing moneys for employment and for training and then it attacks the unemployment insurance fund to get those moneys.

• (1130)

We are saying yes, more money for training, more money for employment development, but pay for it the way Canadians always paid for it, out of general tax revenues.

We do not ask parents with children to be the sole supporters of education in this country. When we pay for education through taxation, everybody pays. It comes out of general tax revenue. We do not simply say to parents with children going to school: "You must pay for education and others won't". That is because education benefits the whole of society, and training benefits the whole of society. There can be no rationale for saying that just workers and employers should pay for training. Everybody should pay for training, as has always been done, out of general tax revenues.

With respect to reducing the benefits to the unemployed in order to pay for training, let us look at what those benefits are right now. Right now the law says that the unemployment insurance benefits should be 60 per cent of your recent salary—I won't go into the details—up to a maximum of $363 a week in 1989. The maximum anybody could receive, no matter what their salary, was $363 a week, but at 60 per cent it could be less.

The average unemployment insurance benefit in 1988 was $202 a week. It was $202 a week and we are going to cut it back. What can you buy for $202 a week? That is less than $1,000 a month. Most people have to pay $600 or $700 a month in rent. What if you are supporting a family and you are getting this average benefit? That is the average benefit, it is not the lowest benefit.

What about a man or a woman with a family to support? They have to pay their rent. They have to buy their groceries. If they have to go to work in a car, they have to pay for their gasoline and the maintenance of their car. They have to pay for their clothing and they have to send their children to school. It is ridiculous to want to cut these benefits. We should be trying to improve them, make them better so that people will be able to pay their bills with their unemployment insurance benefits.

How is the government cutting this? Where is it finding this $1.5 billion that it is going to take out of the system, out of regular benefits, and put into training? It is going to find that money by first of all making it more difficult to qualify. It is extending the qualification period that you must work in order to be eligible for unemployment insurance, so fewer people will qualify. It is also going to shorten the benefit period. Even if you qualify you will not get benefits as long as you do now, even though you are still unemployed. It is possible that your benefits will run out before you find a job and you will be without benefits.

The government is also increasing the penalties for people who quit their work. Then we get into the problem of whether you quit for just cause or not just cause, but the government is going to get a large sum of money by not providing benefits to people who quit, and the penalty period will be increased up to 12 weeks.

The government is saying that it wants to put more money into training and into employment development. It is going to take it away from the unemployment insurance system. so people will have fewer benefits and it will be more difficult to quality. At the same time the government is going to terminate its statutory contribution to the unemployment insurance fund. For years and years the unemployment insurance fund, which by the way last year was approximately $13 billion, has been contributed to by workers who pay so much into the unemployment insurance fund each week that they work, by employers who pay each week into the fund and by the government.

Suddenly the government decides it should spend more money on training. It does not want to take that money out of general revenues and is going to take it out

of the unemployment insurance fund, but it also decides that it is not going to put any more money on a regular basis into the fund out of general tax revenue.

It is hard to take the government seriously when it says it wants to do more for training but is going to put the burden on employers and employees and stop its regular contribution from its own resources. By the way, last year that contribution was $2.8 billion. As a result of the cut-backs that are set out in this bill, 155,000 Canadians who would have qualified for unemployment insurance will not qualify at all or will lose all their benefits.

That is according to the Global Economic Study. I know that the government thinks that that is a tainted study. We do not. It was commissioned by the Liberal party and the Canadian Labour Congress. We feel it was carried out on a scientific basis.

If you look at any of the impact studies, even the government's own impact studies, they indicate that people who got unemployment insurance before will not get it and those who do will get less.

I gave the figures for those who will totally lose their claims. There will be 775,000 Canadians who will have their benefits reduced. One hundred and fifty-five thousand will totally lose their benefits and 775,000 will have their benefits reduced.

In addition, by cutting the benefits as a result of this bill the moneys that were available to the poorer regions of Canada and to the less well-off provinces will be reduced as well. For example, Newfoundland will lose $83 million because of the cut-back in benefits to Newfoundlanders who are unemployed. Prince Edward Island will lose $16 million; Nova Scotia, $43 million; New Brunswick, $65 million; Quebec, $507 million; and British Columbia, $175 million. The government, by its own admission, is reducing regular benefits to the unemployed in this country. The money that would have gone to an unemployed Canadian in Corner Brook, in Bathurst, New Brunswick, or in Chicoutimi will not be going into those areas as it is now.

The government says it is going to use those moneys for development and training, but that is on a discretionary basis. There is no assurance that that money will go back into New Brunswick, Newfoundland or Quebec to pay for job development and training. We asked the minister about this in committee and she said: "You can rely on me. We will distribute this money for training in an equitable way."

Right now it is in the statute. If you are unemployed and you live in New Brunswick, the money goes to you in New Brunswick. You can use that money to pay for your groceries and help the community in which you live. Under this bill, taking out the $1.5 billion and leaving it to the discretion of the minister, we do not know where that money will be spent. It could very well be spent in Toronto. I have nothing against Toronto but Toronto has a full employment economy. It could be used for high-tech training, for administrative training, and not in the areas where they really need money for development.

I put forward an amendment at the report stage of this bill to ensure that those moneys that were being taken away from regular benefits would go back to the same regions and provinces, but the amendment was turned down.

We have further objections to the provisions in this bill whereby unemployment insurance moneys will be used for training. In many cases, if you retrain workers in certain parts of Canada, there are no jobs for them to go to in those regions. When we were in Newfoundland and Prince Edward Island people said: "I am a fish plant worker. I cannot get work. You are going to retrain me, for what? You are not making any provision for new types of work or new types of employment in my community. So you are going to retrain me as a high-tech electronics tradesperson. What am I going to do in my community?" Many of those people believe that this is a bill to relocate them to Toronto, Calgary, Montreal or Vancouver, away from the communities where they have always lived. If you retrain people, they need a job to go to once they are retrained in that new area.

Others said to us: "I am unemployed. I am trained. I am a skilled plumber. I am a skilled electrician. I do not have work now. I want work. I do not want to be retrained. I spent five years in apprenticeship. I spent many years as a journeyman. I am skilled. I do not want to be retrained. I want work."

Again, people are objecting to using their unemployment insurance moneys to retrain them for jobs that do not exist or to retrain them when they are already trained as skilled workers. We all admit that there is a great need for training in certain areas of this country to improve our skilled workforce but, once again, it should

not be done with moneys from the unemployment insurance fund.

This leads me to the real philosophy and purpose of this bill, which is not to put more money into training because, as I pointed out, the government cut the training budget by 32 per cent since 1984. The real philosophy and purpose of this bill is to help the government deal with the deficit. That is one of its priorities. It wants to deal with the deficit. After cutting training since 1984 by 32 per cent, the government then realized it had to return to the training area and said: "Where can we find the money?" The government did not want to take it out of general revenues, so it took it out of the unemployment insurance fund. By the way, the unemployment insurance fund had a current surplus last year of $2.8 billion. While the government has a deficit, the unemployment insurance fund had a current surplus of $2.8 billion. The government says: "There is a good place to get the money, we will take it from there and also cut our statutory contribution to the fund".

• (1140)

The other philosophy underlying this bill is that the government really believes that the unemployed are lazy people and if you partially starve them and make it very tough for them, they will find work. How can you really believe in something like that in this country? Admittedly, there is a small percentage of people who might be like that. Our figures show that there are less than 2 per cent in Canada who have that attitude toward work. How can you really believe that when Canada is basically a country that relies on resource industries and a lot of seasonal work.

For example, I return to Prince Edward Island. Prince Edward Islanders are involved in fishing, farming, potatoes and the tourism industry. When November comes, those industries close. You cannot fish through the ice and you cannot harvest potatoes in the middle of winter. Processing them can only last so long. Unless you can rely on conventions, the tourism industry closes down as well.

Mr. Hockin: It doesn't close down.

Mr. Allmand: Here is somebody from Ontario talking. It does not close down altogether but it closes down in substantial terms. The buses that come across the ferry into Prince Edward Island do not come in the same numbers in the winter. It is no fun on the beach in Prince Edward Island in the winter.

Mr. Hockin: There's great skiing.

Mr. Allmand: Here is somebody from Ontario talking. I do not know if the hon. member is trying to maintain that Canada is not plagued by seasonal work. We are plagued by seasonal work. That is one of the things we have to look at. Many of these people want to work but cannot work. There is no work in the winter, even in the construction industry. Everybody admits the construction industry slows down in the winter. What are you going to do? Leave these people without income in the winter?

That is just one point about Canada. Because we rely on resource industries which sell in a world market, we are dependent on world prices and world market conditions. When the legislative committee on this bill went to Sudbury, it was very well pointed out to us that in 1982, when world nickel prices declined, Inco and Falconbridge in Sudbury laid off approximately 7,000 workers because they could not sell their nickel on the world market. The price was too low for the costs that they had. They laid off 7,000 workers and there were approximately another 3,000 workers in related industries who were laid off. So Sudbury had 10,000 people out of work, not because they did not want to work or their employers did not want to put them to work but because of world market conditions. Those people were out of work for almost a year.

Witness after witness told us that if it had not been for the unemployment insurance system the community would have been in very serious trouble but, because we had a sound unemployment insurance system. these unemployed nickel workers and related workers were getting their benefits, were paying for their rent, their groceries and the basic necessities of life, even though the benefits were only 60 per cent of their income. They were still able to keep that money circulating in that community and many small businesses were able to survive.

It was not like the Great Depression of the thirties. One of the problems of the Great Depression was that we had no unemployment insurance. When certain firms closed and the workers had no money to spend, it affected the balance of the community. It had a cumula-

tive effect in the communities, a snowball effect, and that is what unemployment insurance prevents.

This philosophy that if you really hurt people and cut back their benefits they will find work may be true for a very small percentage. But the great majority of Canadians want to work and they are often prevented from doing so.

If you cut back benefits through this bill and make it more difficult for people to qualify for unemployment insurance, if you cut them off sooner, what are they going to do if they still do not have a job? They are still unemployed but have no unemployment insurance. They will have to go to the welfare system. We are not going to let them starve. They will have to go to the soup kitchens, of which we have many more now than we used to have. Every community has soup kitchens.

We heard from the mayor of Vancouver and the regional municipalities of Halifax, Ottawa and Toronto. The welfare budgets in all these cities will go up if this bill passes because somebody has to take care of the unemployed if there is no unemployment insurance.

I want to again refer very briefly to the committee. In the committee we heard from 202 groups of which 157 opposed this bill. Most of the them felt that the bill should be sent back to the drawing board. There were 53 amendments presented to this House at report stage. A number of them were ruled out of order and many others were defeated. The Liberal party had presented 19 amendments to the bill. I think they were all defeated except maybe one or two.

I want to say about the process that the government imposed closure at second reading after one day and we ended up with only two half-days and one full day of debate at second reading. In the committee stage the date of October 10 was imposed, at which date the committee had to report, but we did our best in the circumstances.

At the report stage and third reading, after one day of debate the government has also imposed closure so that we got only two days at report stage and two days at third reading. Many of the amendments that I referred to, the 19 Liberal amendments and many from the New Democratic Party, were not really discussed.

I am trying to interpret how many seconds or minutes I have left.

The Acting Speaker (Mr. Paproski): Five seconds.

Mr. Allmand: Five seconds. That is the problem. It is very difficult to discuss all the very important points in this bill.

Let me say, in conclusion, that during the election campaign of 1988, the minister from Newfoundland, the Minister for International Trade, said that the government had no intention of touching the unemployment insurance system, that there would be no cut-backs, no amendments. He said he even confirmed this with the Prime Minister. Here is another case of broken promises by the government. It said it would not touch the unemployment insurance and now it is.

This is a savage, cruel bill. It will not solve the problems of the unemployed. It may solve the problem of the government with respect to the deficit, but it is a savage, cruel bill cutting back on benefits to the unemployed. The bill should be sent back to the drawing board in accordance with the amendment put forward by my colleague from Eglinton.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I only have 10 minutes and it is impossible to outline all of the problems in this piece of legislation in 10 minutes. I want to make a few general comments that seem to be pertinent about the bill.

One thing that we heard about on the free trade deal during last fall's election campaign was that the free trade deal would not cause an attack on our social programs. No sooner was the free trade deal implemented than we had nothing but a continual attack on social programs in Canada. The government withdrew its day care legislation. It brought in bills that have done away with the universality of old age pensions and family allowances. It started reducing our standard of health care by cutting back on transfer payments for health care.

It made a very specific promise that not only would no social programs be cut but, as the minister from Newfoundland specifically said, unemployment insurance would not be changed. Of course, we now have a bill that is gutting and eroding our unemployment insurance program. It is not coincidental. This bill is before this

House because of free trade. This government is determined to bring in what it calls a level playing field to harmonize with the United States. As we know, the United States does not have a program comparable to our national unemployment insurance program.

What is behind this? I think the government hopes that it can force workers into a position of having to take low paying jobs because those are the jobs that are being created under free trade. Industry after industry is coming to its employees and saying: "Look, unless you renegotiate your contract, roll back your wages and working conditions, we will simply close our plants and move to the United States". If employees at least have the buffer of unemployment insurance, they may decide to take their chances on unemployment insurance until they can find another job. So the government has to attack the unemployment insurance program also.

• (1150)

There is a tremendous reduction in benefits. One point five billion dollars is being cut from benefits. The government says that 30,000 people will totally lose their benefits. All reliable studies show there will be at least 130,000. In British Columbia there are going to be at least 16,000. In the Fraser Valley there will be 5,200 people. This is going to have a devastating impact on those kinds of regions. The buying power of consumers will go down. Where do people get the money to pay their rent, buy their groceries, purchase clothing for school children?

In a region like Surrey North, where we have a high number of seasonal employees, it is particularly devastating when entrance qualifications are increased from 10 to 14 weeks to 10 to 20 weeks. Twenty weeks is a long time for seasonal workers to be able to qualify. In Surrey we have a lot of people who work in the farming industry, particularly in the berry industry, and in market gardening. To get in 20 weeks is almost impossible and they will simply not qualify for unemployment insurance.

This is compounded by the way the government calculates the rate of unemployment. The city of Vancouver, downtown Vancouver, has been lumped in with the total lower mainland region which includes not only rural agriculture areas like Langley or Abbotsford but parts of Surrey which has a mixed economy. While in downtown Vancouver the unemployment rate may be 6 per cent or 7 per cent, in Surrey it is up around 10 per cent or 12 per cent. The government has averaged it out and is saying the unemployment rate is 8.1 per cent. This means that people would have to work 17 weeks. There has to be a method of more accurately calculating the unemployment insurance rate.

There are other areas in which the government has reduced the benefits, some of which are just nit-picky and vindictive. Benefits for adoptive parents have been reduced from 15 weeks to 10 weeks. What money is that going to save? The government says it is doing it for the deficit. Not enough money is being saved to make it worth attacking adoptive parents. There seems to be nothing but vindictiveness in this piece of legislation.

There are many other spin-offs which are devastated by this. One is the impact on local governments. Local governments are major employers and $3 billion has been shifted from federal government expenditures to that of employers and employees. This means that an employer is going to have to pay $181 more for his unemployment insurance premiums next year. In Surrey, between the school board and the municipality, there are 4,500 workers. That means that Surrey has to raise $814,000 more. The only place they can do so is to raise property taxes. They do not have large industries so it is going to be mainly from residential property taxes. Is this government trying to tax people out of their homes? The city of Vancouver is going to have to raise $2.3 million. The city of Toronto, not counting suburbs, will have to raise $3.4 million.

Small business people are going to be hit hard because they are going to have to absorb the increased cost of unemployment insurance. I would like to remind government members that when they talk about job creation, between 1984 and 1988 small businesses, those with under 100 employees, created 890,000 jobs in this country. Large businesses, those with over 100 employees, cost us 50,000 jobs. There was a reduction of 50,000 employees in large businesses. The government is attacking the very people who are creating employment in this country. The employees who are unable to obtain unemployment insurance are going to have to go onto welfare, which is a transfer to the provinces of federal responsibility. The provinces pay 50 per cent of the cost of income assistance and welfare programs. Many of the

provinces are simply going to have less money to pass on in per capita grants to their municipalities.

I want to briefly touch on one other area and that is the whole issue of training. Training, retraining and job development is the responsibility of the federal government. It should not be placed on the backs of workers and employers. This government has, by sleight of hand, withdrawn from its responsibility and is simply saying: "Look, the unemployed are going to be deprived of benefits in order to finance retraining." That is no way in which to get a skilled workforce.

Fifteen per cent of the unemployment fund is going to go into job creation, moving costs, work sharing and even business start-up. This, of course, means that there are less funds available for what the unemployment insurance fund was designed for. We have to remember that Canada has an unemployment insurance program, an insurance program to protect workers against a period of unemployment. It is not a slush fund out of which the federal government may draw money for its schemes of job creation or its schemes of retraining.

The workers in Canada need not only retraining but a whole series of training programs. Instead, the federal government has cut back from $2.2 billion in 1984 to $1.5 billion in training. Now it is trying to find some method of making up for it by putting this responsibility on the employers and employees.

I see the Speaker is indicating that I am running out of time. In summary I want to say that this piece of legislation, in my opinion, flows directly out of the free trade deal. I am frightened that, unfortunately, this is not the last piece of legislation that we are going to see that erodes our social programs in order to harmonize us with the United States.

Mr. Gardiner: Mr. Speaker, I want to thank the hon. member from Surrey North who always speaks so sincerely and passionately about issues in his riding and a number of the items that we have to debate here in Parliament, in particular this legislation which impacts on a lot of people, many of whom do not have a voice. The member has had some experience in government at the local level. I would be interested in hearing his comments on how we can make a difference on issues such as unemployment and unemployment insurance. What can members do in co-operation with local government and business to ensure that we can give those people who need a voice the voice that that they so desperately need.

Mr. Karpoff: Mr. Speaker, one of the problems, of course, in this type of legislation is trying to give a voice to the people who are going to be most adversely affected by it. There are a number of things that I have tried to do to see if I could reach out to the people in my riding and in some of the adjacent ridings because some of the adjacent ridings are represented by Conservative members who do everything they can to prevent the public from reaching out to them and telling them what the impact is of their legislation.

There are a number of organizations that I have talked with. I have talked to people on the local school boards and municipal councils who are desperately frightened by this legislation, particularly in Surrey. This fall in Surrey, because of the fast growth, we have 9,000 children in portable schools. They are having difficulty developing recreation centres and health centres because they do not have a municipal tax base. All of a sudden along comes the federal government which says that instead of developing a recreational centre for seniors, they are going to have to come up with $814,000 in order to pay for the federal government's responsibility for unemployment insurance and job retraining. Sixty per cent of all housing starts in the lower mainland are in my municipality. They are behind in providing services for people.

• (1200)

How do we reach out to them? We have a group of unemployed people who are experiencing increased difficulty in finding employment. This bill does not state that if you do not qualify for UI, you do not qualify for the training. The very people who need the training the most, the ones who cannot get in 20 weeks of work or who have already exhausted their UI, do not qualify. So what good is the training?

We have to start a whole different concept of training, including being able to train people who are already employed. This is to provide them with greater skills because at the high end of the skill market we are always short of workers. What we have to be able to do is provide the backyard welder with the opportunity to upgrade and become a construction welder. Then we can take an unemployed person and train him to be a

backyard welder. That is the way the Scandinavian countries do it. The democratic socialist countries such as Sweden, Denmark and Norway allow anybody to obtain training regardless of whether the person is employed. That is why those countries have such a highly skilled workforce. When I was in Sweden, it was evident that the Swedish people were horrified because their unemployment rate had gone up to 1.9 per cent.

Other people who I have tried to work with in my community are members of some of the farm labour organizations. Some of our farm industry is dependent on having a pool of farm labour available at various crop times. In order to stabilize that we have had to provide unemployment insurance during winter months. Seasonal work is a fact of life in Canada. I have tried to meet with farm labour organizations to ask, "Are there things that I can say to impress upon this government that if you do not qualify for UI you are either going to have to rely on unemployment insurance or you are going to have to simply move to different areas?"

One of the things that I am beginning to wonder about is whether this government is trying to drive everybody into southern Ontario. Is the government trying to collapse the Atlantic provinces, forcing people out of the Atlantic provinces, out of the prairie provinces and out of central British Columbia into southern Ontario?

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise to add my voice yet again to the debate on the government's changes to the unemployment insurance system in this country. I do so for two reasons. The first is because I share with my caucus colleagues, and other members on this side of the House, a repugnance for what this government is attempting to do in this bill. The second and most important reason is that thousands of Canadians have been left without a voice with which to tell this government that what it proposes is mean-spirited, ill-intentioned and very unjust.

We travelled this country from coast to coast and heard a great many groups and individuals voice their opposition to this bill. In fact, a vast majority of the briefs received spoke in opposition to this bill, but the government chose not to listen. Even more disgraceful, however, is the fact that a great many groups, representing those who will be hardest hit by this bill, did not receive a hearing. While we sat in luxury hotels, they were lining up at food banks. The reality of this bill is that those food bank lines will be longer and the poverty of many will deepen.

What this bill seeks to do is to readjust the labour market. It seeks to modify the behaviour—I am using government terms—of the unemployed. At its most Draconian, it seeks to destroy communities, families and break the spirit of the already disadvantaged.

This bill redirects moneys away from income support to training programs.

While no one will argue that the training in and of itself is not a good thing, we must look beyond the rhetoric to the substance of the training programs in this country. Training is not a panacea. It is not the sole solution to unemployment.

If we look at what has happened to our economy over the past 10 years since the UI system was last overhauled, we see an increased polarization in the labour market. At one end are the highly paid, high-skilled jobs, and at the other end are the low-paid, low-skilled jobs.

High unemployment throughout the 1980s in both relative and absolute terms has resulted in the proliferation of temporary and part-time jobs. Employment in the relatively low-paying service sector has grown dramatically. This has not happened independent of government action. It has happened because of the failure of government to implement a full employment policy and to redirect the restructuring of the Canadian economy.

The Hon. Member opposite who finds what I am saying so repugnant has an opportunity to get up and say so when I am finished speaking.

The problem we face is not so much one of lack of skills for the jobs available, but the lack of high-skill, high-wage jobs. We have one of the most skilled workforces in the world. What we need to do is to put it to work.

We can see that while training is a necessary component to any full employment policy, it is not enough.

This Bill redirects some $800 million from the benefit fund to training programs. But we need to look at who is being trained, who is doing the training, and for what are they being trained. The focus is not on the low-wage earner or the new entrant to the workforce. It is not on improving basic literacy skills. It is not even on improving the general level of skills in the workforce. The programs have simply prepared people for temporary unemployment, have trained them not for future needs but to fill short-term, low paying jobs.

Over the past few years moneys for training have been cut back. Our colleges and vocational institutes have been demoralized as more and more government funding is directed to private firms which offer not skill development or basic education but rather narrow the skills of workers to fit certain predetermined job criteria. Visible minorities, women, older workers and the handicapped have not seen their over-all position in the workplace improved as the stereotypical assumptions which continue to pervade the workplace deny them access to on-the-job training or see them funnelled into the so-called traditional job tracks.

Bill C-21 does nothing to address these inequities, and, in fact, will only make them worse as the present system is continued with more funds directed to private training facilities. This money will be taken directly from the income support component of the UI system. Workers will be punished, will remain underskilled and remain under the constant threat of imminent poverty.

This Bill does not recognize that those who could benefit most from a comprehensive skill development policy will be excluded from training programs. The increase in the numbers of weeks required to qualify for training programs will only perpetuate an underclass of unskilled and marginal workers.

The discrimination which this bill continues between major and minor attachment claimants ensures that for many there is no hope of breaking out of the vicious cycle of poverty that sees them moving from brief periods of low-paid employment to possibly some UI benefits to social assistance. This is the reality of Bill C-21. I would like to turn for a moment to the experience faced by workers in my own riding. Their experience is indicative of the problem which this government has failed to address in Bill C-21, the lack of a full employment strategy coupled with a regional industrial policy that has taken a toll on those workers in my riding. Not too many months ago, Fiberglas Canada closed its insulation plant in Mission, laying off some 200 workers. The impact of this closure on a relatively small community like Mission, British Columbia, has been hit very hard. What is most disheartening is the fact that now we are beginning to hear of shortages in the availability of insulation from building contractors and building supply firms in my riding. Now they are looking to the U.S. to fill this void in the market.

• (1210)

My point is simply this. Would it not be more cost effective and efficient if the government directed its efforts to providing a comprehensive full employment strategy and a regional economic development plan rather than let the market forces dictate? I know I am not going to get an immediate answer, but the question has been begged on several occasions.

Would not the government's and workers' money be more wisely spent on assuring continued employment rather than on benefits and retraining of an already skilled workforce. Why punish those who through no fault of their own are now unemployed? Why threaten the stability of a viable community when real planning and a concern for economic growth would forgo such hardships?

A second industry in my riding is also suffering from government neglect and short-sightedness. The shake and shingle manufacturers in the Fraser Valley are facing massive loss of market for their product if a decision of the Los Angeles city council to ban the use of cedar shingles is not reversed through the courts. Thirty-five hundred jobs are at stake because this government has come too late to support this $350 million industry.

Should these workers lose their jobs, they will need to call on the support of the UI system to feed their families and to pay their rent or their mortgages. The workforce is a skilled one. The workers produce a valuable, safe product, yet their jobs are threatened. This government would rather spend money to punish the unemployed and to train workers for jobs that have no future.

The most repugnant aspect of this bill is what it will do to the working poor of this country. I have already noted that their voices were not heard during the hearings. They do not have many advocates in this chamber to

voice the anger and frustration they feel, but their voices must be heard. It is the working poor who will lose most by this legislation. They will see their benefits cut by $1,500, money needed to feed their children, to keep them from the welfare rolls, to keep what remains of their dignity.

This government knows only too well the effects of poverty. It knows that undernourished children learn at a slower rate than those who are well fed. It knows that the poverty trap exists, that parents cannot find affordable day care so as to take on full time work. It knows that one in four Canadians are functionally illiterate. Most of them are poor. It knows that the two-income family is a necessity just to stay above the poverty line. It knows that 60 per cent of those who will see their benefits reduced by Bill C-21 earn less than $15,000 a year.

The government knows it is punishing the poor in this country. The government is well informed about its ill-intentioned bill. It is the poor of this country who are not being heard by this government. But we know who is being heard. It is the business council.

I would like to conclude my remarks by again pleading with the government. I know at this point that the plea is going to fall on deaf ears. I plead with this government to not pass Bill C-21, to look at bringing in an unemployment insurance amendment that will enhance the situation for workers in this country, not punish the workers.

Mr. Gardiner: Mr. Speaker, I appreciate the comments of the member for Mission—Coquitlam on Bill C-21. I would like to give her an example of a situation that we had in B.C. in my riding and ask for a comment from her. It had to do with a recent announcement by the provincial government, that crazy and confused government in Victoria, that some time ago said it was going to require people who were on social assistance to be sure to find a job otherwise they would be cut off from their benefits.

I had the opportunity the day after to visit the CEIC office in Vanderhoof. It is just an hour's drive west of Prince George. I asked the local manager, "What about this announcement yesterday? Has that had any impact on you?" The manager smiled and said it had because already that morning people had come in to his office asking that he or members of his staff sign a form to say that that they had come in to ask for work.

Of course, this local manager made it clear it was not working for the federal government with any of the jobs that were listed there. He said that he was not aware if any co-ordination had taken place between the B.C. government and the federal government on that announcement. The impact was that the human resources department in the province of B.C. would have one criterion for being employable and then CEIC would have yet another. His comment was, "Fair enough, they are going to have to come in and they may or may not fit our criteria".

I would be interested in the member's comments on that kind of federal-provincial co-operation, if there is any, and how these kinds of problems exist and how they can be resolved.

Ms. Langan: Mr. Speaker, I thank my colleague for raising the question. We have two territories and 10 provinces in this country. As the news will portray, seldom do we agree on much.

I think the key point of this is that there are 10 provinces and two territories with 12 sets of rules, plus the federal criteria. I am quite alarmed at what this is going to mean to British Columbians, for example. I had a constituent who was unemployed, who did not have a telephone and who came to my office during the summer and used the telephone. This person wrote endless letters of application in longhand and went to endless interviews. This person happened to be a very articulate and skilled person who documented every move she had made. When she went to the social assistance officer—I might add it is a woman who was not recalled after a protracted labour dispute—and presented her list and her copies of her letters, etc., she was refused and told to go home and fill out the government form because the office was not interested in that material, that it was not relevant and had to be on the form. She was so humiliated that she returned to my office in tears and said, "I'm so disgraced, I'm so humiliated. I really, honestly, Ms. Langan, have tried". That is the kind of situation.

In speaking to the worker after that we found out she had been inundated by people that day—this was following the same announcement to which the hon. member referred—and was having to force people to follow the rules. That worker was at her wits' end. We had a

situation where there was an over-stressed worker and an anguished unemployed person at the welfare office. This was like mixing oil and gas. I am very, very fearful, Mr. Speaker, at what this is going to mean to people.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am pleased to have the opportunity today to speak on Bill C-21. What this bill represents is the natural evolution of a social program, an essential part of this country's compassionate ability to provide income security for those who are out of work and in need.

When the Unemployment Insurance Act came into being in the 1940s only 50 per cent of the labour force was entitled to receive benefits. Those who were ill or who were unable to work were ineligible, as were employees in occupations generally susceptible to unemployment, such as construction.

Today, 95 per cent of the working population is covered by UI, and more than $10 billion of benefits are distributed annually throughout Canada.

Dozens of alterations and changes over the past 49 years have attempted to bring this program in line with the social and economic times. Today, UI not only protects those who lose their jobs, it also covers seasonal workers, those who are sick, and those on maternity leave.

In the last decade, Mr. Speaker, our labour force has seen some stunning changes faster than anyone can contemplate. The world market is demanding a new breed of worker who can provide technological skills and products. As our knowledge base expands so do global trade links.

• (1220)

While some people in Canada would have us cling to the past of logging, fishing and mining, the world beyond is rushing ahead to learn the technologies needed to compete on a global scale.

At the same time, we have realized that our unemployment insurance system has not progressed fast enough for new labour market needs. It was established in an era when unemployed Canadians would simply have to wait for a mine to open again. In today's economy, based on a diverse array of industry, an unemployed person has more choices. Even in areas of high unemployment skilled workers are in demand, but Canadian workers cannot fill the needs.

With this bill we intend to offer Canadians an alternative so that they can take advantage of current and future labour market opportunities. Canadians realize that they need new skills and training to keep up with the labour market demands. But they are not getting very much help.

Surveys by the Canadian Labour Market and Productivity Centre show that 41 per cent of full-time employees have received no training over the past two years, another 18 per cent have received less than one week's training while 53 per cent of unskilled workers received no training at all.

It is difficult to overestimate the importance of training in our changing labour market. In terms of economic success we only have to look to countries like Japan to see what a little training input can yield in greater economic output.

In the past this government has occasionally felt like the mouse behind the obstinate elephant. The participation of both business and labour is essential for the development of our labour force. Yet traditionally rivalries have until recently prevented these groups from co-operating in any national effort to keep the supply of labour competitive and job ready.

When the Minister of Employment and Immigration announced the Labour Force Development Strategy in April, she called upon labour and business to head up five task forces on training. The result of their work will shape the way for the strategy and new training opportunities. Rather than being the instigator and the implementor, the government has taken on the role of facilitator. Clearly, the challenges we face are too great for the government to tackle this alone.

The bill before us calls for a co-ordinated approach to solving many of our labour market difficulties. It overhauls UI so that more claimants can receive employment training and experience through the active involvement of our private sector partners. By eliminating some of the disincentives to work, it encourages people to be productive participants in the labour market.

Canadians strongly favour these kinds of changes. An April Decima poll showed that 61 per cent of the people support remodeling UI so that funding is available for more skills development; 92 per cent would change UI to

encourage job seeking; and 85 per cent would make alterations in order to produce a more skilled workforce.

In 1988 the UI Act allowed more than 105,000 claimants to get skills training. We propose now to reallocate $350 million of UI funds to further increase training opportunities for claimants. With the help of the private sector sponsors an additional 60,000 claimants will be prepared for a lifetime of labour force participation.

As well, we intend to offer even more assistance to the unemployed. Early in their claims they will be referred to job search information counselling services and job training programs on an individual basis. This is the extra help Canadians are asking for.

The reallocation of UI money will also boost entrepreneurship by allowing claimants to use their benefits to start their own businesses. To enhance re-employment prospects we will also provide financial aid to claimants who choose to move to find jobs.

In addition, this bill adds another chapter in the evolution of UI as a fair and just income security program. In line with some human rights concerns changes are being made that will benefit older workers and enhance parental benefits. Currently, the UI benefits cease after a person reaches age 65. This bill will extend regular benefits to all workers regardless of age.

In addition, the current inflexible sickness and maternity benefits are being improved. A new multi-tiered system will allow 15 weeks of maternity benefits, 10 weeks of parental and 15 weeks sickness. All together 30 weeks of special benefits will be available to eligible workers. For parents such progressive income protection allows flexibility in making the arrangements to care for children. For those workers who become sick while claiming UI this bill will provide greater income security.

This fall I travelled across the country with the committee to look at the implications of this legislation. Media coverage, I am afraid, has unduly focused on the negative and inaccurate comments. The changes we are proposing are not intended to take away benefits from certain regions or deny assistance to unemployed people. This bill, in fact, will allow more individualized and increased assistance for claimants in addition to channeling more income security in most of the disadvantaged regions.

Most importantly the changes proposed by this bill are not intended to save money for the government. The employment development measures will be funded by re-allocating up to 15 per cent of the funds used for UI benefits. That money will become available under new measures that will shorten the benefit period and increase the entrance requirements in regions that are economically more buoyant. However, if the unemployed rate rises the entrance requirements and benefit period may be modified accordingly.

For example, in a region such as Toronto where unemployment is below 6 per cent, the new program will require 20 weeks of work to qualify instead of 14 weeks under the old system. Toronto claimants who had worked the minimum amount to qualify for benefits would receive a maximum of 17 weeks of benefits under the new system. For the same amount of work they would receive 20 weeks of benefits under the former system.

By contrast, in parts of Newfoundland where the unemployment rate is 15 per cent and over, qualifying requirements will not change. As before, the claimant will need 10 weeks of work to qualify for a maximum of 50 weeks of benefits. In regions that are economically disadvantaged the unemployed will continue to be covered by UI. They will be able to take advantage of the new training programs we are developing.

Bill C-21 is part of the solution to a labour market problem that has great implications for Canada. Without developing the skills of our workers the standard of living Canadians enjoy now is doomed to diminish. Our UI program cannot continue just to provide income security to unemployed Canadians; it must also help them learn how to survive in the competitive market our country is now developing.

This government has called upon business and labour to co-operate in this challenge. Canadians have told us that they want the UI program to reflect current market trends. With our partners we are now making it possible for unemployed Canadians to break away from the cycle

of dependency and to partake in the building of a successful Canada in the next century.

Mr. Pagtakhan: Mr. Speaker, I would like to ask the hon. member a question in view of the government's decision to withdraw the funds that it used to contribute to the unemployment insurance fund. This withdrawal of government funds necessarily would result in increased premiums both on the part of workers and employers. I would like to ask the hon. member for the government whether he can reassure the House that the government would not allow increased premiums to occur.

• (1230)

Second, I would like to indicate that the Liberal party supports training and programs for the unemployed but would like the Government, if it is truly committed to the philosophy of training and programs for the unemployed, to fund these programs directly rather than take the funds out of the unemployment insurance benefits. We should get money by increasing efficiency in government, in response to another hon. member for the government trying to ask me a side question.

My question to the hon. member is whether he would lobby the government not to cut the unemployment insurance benefits but rather secure a separate source of funds for training and development for the unemployed.

Mr. Kempling: The premium rate in the bill is set for three years. Therefore there will be no change as far as the employee or the employer is concerned for three years. We will look at it after that and see where we are. The rates go up and down. Traditionally they are set yearly, but in this bill, with the consent of the commission, we have agreed to set them at a limit that will be established for three years.

As far as training is concerned there is a great deal of controversy over what we do about training. Members of the Opposition tend to say to us that we cannot use premiums that are paid into the unemployment insurance fund for training. That is not right. We have sought and received legal advice on this matter. Benefits under the unemployment insurance system need not only be money.

I think it is quite proper, if a person is unemployed and lacking in skills, that we provide training for him. There is nothing in the law to say that we cannot remove some of those funds from the premiums that are being paid. We quite rightly have done that. We have said that the people who will receive training under the UI system will be those who contribute to the fund.

On the other hand, we have set up parallel funds under the Canadian Jobs Strategy to take care of people who have not paid premiums into the fund or who have been long-term unemployed. We think that it is a good effort. Every survey that we have seen across the country from small business, from labour groups, and from provincial authorities indicates to us that the workforce of the 1990s will have to be more skilled than it is right now.

Technology is changing. Capital investment in industry is increasing dramatically and will continue to increase as far as the projections are concerned. Therefore we think it is quite proper that we take this step and train people to be prepared for the work period ahead of us in the 1990s.

Mr. Anawak: I have a couple of questions or concerns with regard to the comments expressed by the hon. member. There is a tendency to talk about taking trips "across" the country. I wish people would take trips "around" the country so that they would include our area of the north, the Arctic. I would hope that other members will heed this in the future.

With regard to mobility rights or mobility in the UI bill, it states that we should probably move to other parts of this country. My concern is that we have been here for several thousands of years. We are not just ready to pick up and move anywhere just because the UI bill will now make us look for jobs elsewhere in the country.

I would like to assure the hon. member that with other parts of the country wanting to retain their distinctiveness we should also have the right to remain distinct in our part of the country.

Mr. Kempling: Mr. Speaker, I appreciate the question raised by the hon. gentleman regarding going "around" the country instead of "across" the country.

I might advise you, Sir, that we did discuss this matter at our committee. In fact at one stage we intended to fly to the north. We talked about having a subcommittee go to the north. We did not have too many inquiries back

from the north. We put advertisements in the paper, we contacted several organizations, and when it came down to the hearings it turned out it would be more economical to bring those who wished to appear before us to Vancouver or Edmonton. In the final analysis none of them turned up. We offered but they did not turn up.

Upon reflection I think we should have gone to the north. There was some reluctance on their part, even though we agreed to pay expenses for them to fly down and stay in a hotel while they were in Vancouver or Edmonton. They were obviously reluctant to do that. I would think that another time we would be well advised to go to the north.

Let me say something about mobility. This matter has been raised several times during our meetings, during the hearings that we had, and also in the House in various speeches. We are a very mobile society.

It may be in your community that they are not very mobile, but generally speaking, Canadians are very mobile. You can go to Alberta and find many people from Ontario. I can recall during the energy crisis that some of my constituents went from Burlington to Alberta and were coming back home for Christmas and telling me I could freeze in the dark. They became westerners or Albertans pretty fast, and so it is with our society. Two of my sons are on the west coast in British Columbia. I can remember moving to three or four different cities because there was work there.

The general opinion of most Canadians is that if work is available they are going to go and find it somewhere, not stand there and let the government bring it to them. There are others who for a variety of reasons prefer the lifestyle they have in the community in which they live. Perhaps that is their choice; it is a free country. Where mobility is available and people want to work in another location either for more experience or better wages they should be allowed to do so. We will see that they are made mobile, to the best of our ability.

In my own business or my own shop at one time almost everybody on the floor came from the maritimes. They were darn good workers and we were glad to get them. We paid them well to stay there. I do not think there is anything in the bill that is going to disrupt communities. If someone wishes to leave it is their free choice to leave.

Mr. Karpoff: I have a very short question. I would like the member to inform me, and through me my municipality, where they are going to get the $814,000 that they have to raise in order to pay the increased unemployment insurance premiums?

Mr. Kempling: First of all I do not accept the $814,000. I would have to look at it to see how it is calculated.

Mr. Karpoff: It's accurate.

Mr. Kempling: I listened to you; kindly listen to me. I would have to see how that was calculated to see whether it is right or not.

If you look at the premiums you will find they are below the 10-year average. There have been times in the last decade when the premiums were much higher than the premium today. The premium today is lower than the 10-year average.

The member's question is a little off base. Wages have increased in the last decade; disposable income has increased dramatically in the last decade. Since 1984 disposal income broadly across the country has been about $1,400 per capita. I do not think there is any problem paying the premiums, and I do not think your question is well founded.

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

• (1240)

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I wish to speak today on Bill C-21, tabled in the House and brought to the attention of the Canadian people some seven months ago, on April 11, and again in the budget on April 26.

There are a number of things that concern this side of the House about this deplorable initiative that in my province affects roughly 150,000 Newfoundlanders. Above all, speaking as the member for Bonavista—Trinity—Conception, it is the negative synergism of this bill that really concerns me. I have a number of concerns, and I hope to be able to get through them in the limited time that I have.

The point I would like to make at the outset is that in this case one and one and one concern does not add up to three. It adds up to more like 15 or 20. The effect is not linear; it is exponential.

In the 1988 election campaign in which everybody sitting in this House participated—it has been said many times, but it is a necessary prelude to what I have to say—the St. John's *Evening Telegram* on October 14, 1988 quoted the hon. Minister for International Trade as stating: "No one is planning any changes in the unemployment insurance program. There has not been any change proposed to us since we dealt with the Forget Commission and we are not contemplating any changes now".

Almost six months to the day after this promise was made, in disbelief I sat in this very seat and watched as the Minister of Employment and Immigration made proposals for a drastic overhaul of the unemployment insurance system. I had assured my people that a promise had been made, and I did not expect any changes. You can imagine, Mr. Speaker, my disappointment, surprise, and disbelief as I watched this being unfolded.

We were again surprised and disappointed at what we heard. We heard that $1.3 billion would be cut from unemployment insurance benefits. This represents about 10 per cent of the $13 billion annual unemployment insurance payments that the report stated would cut off around 30,000 Canadians of the 3 million Canadians who are receiving unemployment insurance benefits and represented, according to the studies that were done by the government, around $30 million to Newfoundland.

I think I am quoting Benjamin Disraeli who said there are three kinds of lies: "lies, damn lies, and statistics". The hon. member for Notre-Dame-de-Grâce mentioned statistics in the vicinity of $83 million for Newfoundland.

I am in possession of a report from the Government of Newfoundland which had a separate study done, and it reckoned that the total impact is going to be $112 million. That is quite different. What the impact is going to be will depend on what assumptions are made. Mr. Speaker, you can appreciate that I have to take the worst case not for political reasons but to concern myself with what could happen.

The hon. member for Burlington in a statement dismissed the impact it would have. In fact government stated that the impact would be marginal in the Province of Newfoundland and Labrador owing to the high rate of unemployment.

Let me quote the impact it is going to have, and I have not made these up in my mind. A statistical survey was done using the social policy simulation data base, which is a microcomputer based model developed by Statistics Canada. The indications are that up to 11,000 in Newfoundland may be impacted by the new entrance requirements alone; up to 30,000 by the change in duration; and up to 6,000 by the voluntary quit measures. If that is a marginal impact, I am not standing on the floor of the House of Commons today giving a presentation on Bill C-21.

The government will say: "But you do not understand". It will argue that $800 million of these benefits will be redirected into job training programs. I think this is unfair to rural Canada for two reasons: first, it is paying for job development programs out of the unemployment insurance pool.

This point has already been made by one of my colleagues, and it is unfair to the people who can least afford it. Right now, of the $13 billion annual cost of unemployment insurance, 43 per cent is funded by employers, 31 per cent by worker contribution, and 26 per cent by the government.

Then I look at the job training. Yes, I am in favour of job training, but how does it apply to my riding? Let me give you some examples, Mr. Speaker.

I have analysed with my staff and with members of my riding the designated skill shortages in Newfoundland. There are 50 job titles, and right now around 1,200 jobs. I am not going to bore the House with a great dissertation on this point, but I have to look at some of the titles.

This title is "fish plant manager", maximum training volume 50. Every fish plant in my riding has a manager as far as I know and to my knowledge the government is closing them down, not opening them up. The ones that are open are still only operating at a 55 per cent capacity.

I will give another example. This title is "claims staker soil sampler", 30. I do not have many mines in my riding, but there is a project in my riding to get a mine under way in an area where employment is desperately needed. The entrepreneurial skill is there. The professional and the organizational expertise are there. The whole thing has been staffed, the business plan is available, but ACOA says no.

The recent change in the ACOA action program that affects all existing and potential applications trot out new ground rules that preclude this action program from going through. So, no money, no mines, no jobs.

I would remind the House of the de Grandpré report about which there was great publicity in this House. The government paid $1.5 million to have this report done. If I remember correctly it consisted mostly of businessmen. There was one representation from labour. They were unanimous in agreeing that there should be a change made to training, and there should also be a safety net of unemployment. I think they called the safety net unemployment insurance and the training program was the trampoline, but they made a very important recommendation. They recommended that training be paid for separately, not taken out of unemployment insurance as it is now happening.

I felt the purpose of the task force was not to produce a report that was not followed by the government but was to get things done. If you pay $1.5 million and get a recommendation but do not follow it, I am not quite sure what to make that of that.

Another aspect that concerns us is the over-all business of the government not making downstream its over-all contribution to the UIC. Now, what sort of a backdrop have we got here? You may recall that in the budget the Minister of Finance admitted that unemployment would probably rise at the national average of 7.7 per cent to 8.5 per cent—that is a 10 per cent increase—as a result of the budget.

Let us have a look at the proposed goods and services tax. There is another coffin nail. The finance minister predicts between 2.5 per cent and 3 per cent rise in inflation will result from the GST. This is not a very bright picture at all.

Let me quickly review some of the concerns one more time. First of all, Bill C-21 represents a breach of trust. It breaks a promise that was solemnly made by the government last fall. It redirects money for the unemployed into training jobs that do and will not exist in rural Canada. It provides the level playing field insisted on in the free trade agreement, as was suggested earlier here this morning, for the benefit of the United States.

It hurts the people it was meant to protect. It was done without warning and consultation. It was sudden and abrupt. I know the province of Newfoundland was not consulted. It attacks the very heart of the Canadian social security system. It is a program which Canadians care deeply about. It runs contrary to the expectations of Canadians, all at a time when we are going to have a 10 per cent rise in the unemployment rate and we are going to have a 3 per cent rise in inflation. In Newfoundland we do not know what the quotas are for the fish allocations, but there are other indications that the economic future for the next few years in Newfoundland is going to be very dismal.

This is a constitutional right of Canadians, and the government has attempted to privatize it. That is not on. Like every other member in this House I could go on because there are an awful lot of people listening to what is being said in this House today, and there are 8,000 people who signed a petition telling me to make sure that their voices are heard. I hope they believe their voices are being heard. Of the 80 per cent of the submissions that were made out of the 200-odd submissions—and I sat on the committee—90 per cent were against it, 80 per cent were vehemently against it, and only 10 per cent had some support.

• (1250)

In closing, there is a somewhat sombre thought. In my previous incarnation I was a mariner. Mariners will tell you that of all the flag hoists raised there is one they watch very carefully. It is the phonetic, alphabet flag uniform. When uniform is close up the international meaning of that is you are standing in danger. People pay attention to that. A mariner believes that somebody is trying to tell him something so he checks his navigational position, his sounding, the water under his keel, his course and his speed to make sure that he is not going to get into irretrievable trouble.

I have some advice for the Prime Minister. Mr. Prime Minister, rural Canada has hoisted a flag and its flag uniform close up, be aware.

Mr. McCreath: I listened with great interest to my hon. friend for Bonavista—Trinity—Conception who has had a very distinguished naval career. I must say I am well aware of the fact that sailors are well known for their stories. It seems to me he has been telling a few here today, and I suspect from what he just said that he may

have told a few back home in his constituency. Therefore I must ask him one or two questions.

He talks about what he perceives to be the negative impact of this for his constituency, indeed for Newfoundlanders, and yet I did not hear him mention, as I will in my own speech, how pleased we are that fishermen's benefits are not in anyway being impacted by this. Is he not in support of maintaining fishermen's benefits?

Second, he talked about access to the unemployment insurance scheme. If he looks at the proposal before Parliament he will note that there is no increase in the qualification period for the constituents of Bonavista—Trinity—Conception. Yet, at the same time there are benefits to those people because of the Canadian Jobs Strategy, the programs that will flow as a result of that, and the additional funding available for things like Community Futures, the Industrial Adjustment Services and so on.

I think my hon. friend has certainly done an excellent job in toeing the party line in opposing the progressive measures that have been brought forward by the government in trying to bring the unemployment insurance scheme into the 21st century. I wonder if he might not take this opportunity while there is still a moment to recant to his constituents and tell them what excellent stories he has told us .

Mr. Mifflin: Mr. Speaker, there are times I am sure that all members stand on their feet and they are not really sure of what they are going to say when they get up. This is one occasion that I am delighted to rise and respond to my friend, the hon. member for South Shore.

It is safe to say that as mariners we share a lot of interests. I found it very interesting that the hon. member said that I was toeing the party line. I have come here as a Liberal, as a member of the Official Opposition, but when I was on my feet this morning speaking about unemployment insurance I was not only speaking for the 8,000 people who took the time to tell me and this House that they are not very happy with the changes in unemployment insurance but for Canadians who are concerned about their future and about putting bread and butter on the table. Those are the same Canadians that this House should be concerned with. I can tell you that this side of the House is very concerned for those Canadians and will continue to be so.

I also want to say to the hon. member that I happened to read *The Chronicle Herald* coming back from my riding. The same member who criticized me and asked me why I was toeing the party line and not looking at the great benefits of unemployment insurance has a problem with fisheries, as we all know, and I think he would agree with that. He was quoted in the paper yesterday as admonishing his own government because he wants to get Community Futures in his own riding to look out for some of the problems that have been created by the policies of this government. I am delighted to respond to those types of questions. I am delighted to say that at least I can talk and toe the party line and still represent Canadians without having to worry about where I am coming from.

I would also like to add that he mentioned the job development strategy.

The Acting Speaker (Mr. Paproski): On a point of order, the hon. member for South Shore.

Mr. McCreath: I know it was not my hon. friend's intention to mislead the House. He may not have been aware of the fact that on Thursday it was my great pleasure to announce that the Minister Employment and Immigration had indeed brought forward—

Some Hon. Members: That is not a point of order.

The Acting Speaker (Mr. Paproski): It is debate. Questions and comments are now terminated. The hon. member for Nunatsiaq on debate.

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, I welcome the opportunity to speak on Bill C-21, an act to amend the Unemployment Insurance Act. The amendments to the act as contained in this bill will have negative consequences on northern workers. Last April, when the government announced its labour force development strategy and the proposed changes to the unemployment insurance program, I expressed my concerns over the effects these changes would have on northerners. These concerns remain and have in fact been reinforced.

Across the country the government is increasing the minimum period of work required to qualify for benefits and is reducing the maximum duration of those benefits. In the north the minimum number of weeks an individual must work in order to qualify for unemployment

insurance benefits remains the same at 10 weeks. However the duration of the benefits is reduced.

Under the current system an individual in the north who works 10 weeks can qualify for unemployment insurance benefits over a 42–week period. The changes in this bill will reduce that benefit period to 39 weeks. Under the current system, an individual in the north who works 18 weeks can qualify for unemployment insurance benefits over a 50–week period. This bill will reduce the benefit period for this worker to 47 weeks.

These changes will have serious consequences for seasonal workers in the northern regions of this country. Seasonal work in the north, unlike the south, is very often short term, project oriented, and has specific termination dates. Workers do not have a lot of other projects to go to.

The north has the highest rate of unemployment in the country. The unemployment rate for the northern region, which comprises the Yukon and the Northwest Territories, is between 20 and 25 per cent. The over–all rate, however, is misleading.

There are wide variations in this rate between the Yukon and the Northwest Territories and between the regions within the Northwest Territories itself. The Baffin, Keewatin and Kitikmeot regions have the highest unemployment rates within the Northwest Territories.

In some communities unemployment rates approach 50 per cent. These high unemployment rates dramatically illustrate the need for substantial economic development initiatives for the north. Cuts to the unemployment insurance program in areas which suffer from economic underdevelopment, without any plans or programs to increase employment opportunities in a significant way, is only going to make these poor regions poorer.

The number of groups in this country opposed to this bill is significant. All the aboriginal and northern groups that appeared before the legislative committee studying the bill were opposed to it. The reasons for their opposition are similar.

Aboriginal communities in the northern parts of the provinces have much in common with northern remote communities. Their economies are largely underdeveloped. In the Northwest Territories there are two economies. One is developed and comprises a very small number of communities. The other economy is underdeveloped and a vast majority of communities, about 46, fall into this category. Most of them are in my constituency in the central and eastern Arctic.

When the Northwest Territories Federation of Labour appeared before the legislative committee examining Bill C–21, it had two messages for the committee: leave the system alone and at least attempt to recognize the uniqueness of the northern economy before making any changes to the benefits structure.

The Acting Speaker (Mr. Paproski): Before I call it one o'clock, the hon. member will have six minutes remaining in his debate plus five minutes for questions and comments.

It being one o'clock, I do now leave this chair until two o'clock this day.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

BILL C–43

Mr. George Proud (Hillsborough): Mr. Speaker, the federal government has finally brought forward legislation regarding abortion. However, this legislation does not address the rights of the unborn child, despite the recommendation of the Supreme Court of Canada. More than 60 petitions bearing the signatures of more than 2,000 Prince Edward Islanders were presented to me calling upon this government to protect foetal rights.

These petitions were not deemed presentable by the clerk of petitions. How can an average Canadian be aware of the strict guidelines for certifying these petitions? My constituents invested a huge effort in collecting these signatures only to discover that their voice will not be heard in this House through petition's tabling. Guidelines for accepting petitions for presentation in

this House are clear and concise. The problem is that ordinary Canadians are not familiar with the rules.

I ask this government to not only develop a public awareness program to assist petitioners in this area, but to seriously consider revising the archaic rules that determine the acceptance or the rejection of petitions.

* * *

ROUGE RIVER VALLEY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, on behalf of the Save the Rouge Valley System organization, the city of Scarborough and thousands of Canadians who are working to save the Rouge Valley, I want to thank you, Mr. Speaker, for visiting the valley this past weekend. Your strong support for saving the valley as a park has helped give this issue national importance because, as you mentioned, preserving this magnificent wilderness area is in the national interest. Despite overwhelming community support for the creation of the park, and a $10 million commitment from the federal government, the fate of the Rouge is still uncertain.

Each member in this Chamber has a duty to back up your call for action, Mr. Speaker. The Government of Ontario also must show its commitment to establishing a park in the valley. Once again, Mr. Speaker, I want to thank you for taking the time to visit the Rouge and demonstrate your support in saving the valley as a wilderness park.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I rise today to point out yet another negative consequence of the proposed GST. There are 120 border crossings between Canada and the United States.

It is well known that commercial interests on the Canadian side of the border are adversely affected by Canadians crossing the border into the United States on a single day and weekend visits, spending millions of dollars, a situation which has become worse under the free trade agreement. We cannot be critical of Canadians seeking lower American prices, but we must express serious concerns about the long-term implications of the situation, which will be further aggravated by the 9 per cent GST.

I offer the following examples from my own constituency as a graphic illustration of this situation. One service station has suffered a 400,000 litre loss in the past year; $250,000 is spent on groceries each week in Sault Ste. Marie, Michigan; single-day visits number 840,000 for the first nine months of this year. How many more examples does the government need? I call upon the government to scrap the GST.

* * *

AGRICULTURE

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, in Elk Island and across western Canada agriculture is an important part of our economy. Successful agriculture means more than just successful farmers. Successful agriculture means jobs in fertilizer plants and farm implement dealerships. It means successful small town businesses and thriving world communities.

We all depend on a healthy farm economy. When our farmers were faced with falling international grain prices, our government responded by injecting almost $12 billion into our farm economy. When the west was faced with a killing drought, the Government of Canada responded to keep our farmers in business.

Yes, the Government of Canada is committed to our farmers, but the fight is not over. More work has to be done. Let us work together to development of a long-term plan to manage our farm economy. The Minister of Agriculture must take the lead in developing a vision for Canadian agriculture in the future. Let us all work together to build a stronger farm economy. Let us all work together for a better Canada.

* * *

SAFETY REGULATIONS

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, the imposed safety regulations drawn up by the Coast Guard division for vessels under 15 tonnes are highly impractical and expensive for Prince Edward Island fishermen. These safety devices could cost the fishermen in excess of $15,000 and would take up so much room on the vessel there would be no room to fish.

The regulations have obviously been drawn up by people unfamiliar with the P.E.I. inshore fishery. The new regulations will require P.E.I. fishermen to have a different vessel for every different species fished. In spite of a series of meetings between the Coast Guard and fishermen, the regulations have not yet been

changed to reflect the needs of the P.E.I. inshore fishermen.

Instead of wasting time and money discussing new regulations, the government should enforce the current regulations more efficiently.

Furthermore, if the government truly has the safety of P.E.I. inshore fishermen in mind, why not allocate the funds for dredging harbours and repairing of wharves that are the greatest menace to our fishermen?

* * *

PUBLIC SERVICE ALLIANCE OF CANADA

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, during the last few days I have talked with management and staff at the Springhill Institution in Springhill, Nova Scotia, the officials at Treasury Board, and members of the union representing the groups on strike at that institution. It appears to me that the differences between them could be resolved by earnest negotiation on both sides. I urge the Treasury Board to do everything possible and reasonable to bring this situation to a satisfactory conclusion.

Although it is the union's prerogative to strike, many of those on picket lines are already experiencing emotional stress and a great deal of pressure. There is no question that sooner or later the strike will be settled. I just respectfully request that all parties involved get back to the bargaining table and make a settlement sooner instead of later.

* * *

SPORTS

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I have the honour and the privilege to rise today in this House to pay tribute to the many Canadian athletes who make a contribution to sports in this country. Sporting events are an excellent way of providing our youth with interpersonal skills and leadership qualities which are needed to succeed in life.

In my riding the Fort Frances Muskies demonstrated that hard work and determination pay off. They won the northwestern Ontario regional football championships by defeating the Westgate Tigers of Thunder Bay with a score of 27 to 13. The Fort Frances High School's football team is one of the best in northwestern Ontario and while it has not held the regional championship for many years, it has held an impressive record of achievement.

This bitter–sweet victory will be long remembered. For the first time in 36 years the Fort Frances Muskies have been able wrestle the championships from the Westgate Tigers of Thunder Bay.

Under the leadership of Coach Dave Montgomery, the Fort Frances Muskies have made football in northwestern Ontario an exciting sport. I am sure that my colleagues from the Thunder Bay area and members from all sides of the House will join me in offering our sincere congratulations to the Fort Frances Muskies football team and Coach Montgomery.

Some Hon. Members: Hear, hear!

* * *

EAST GERMANY

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, the world is currently witnessing a migration of dramatic proportions as tens of thousands of East Germans continue to leave their homeland in search of freedom and democracy. These East German citizens are willingly and anxiously uprooting their families and quickly leaving their friends, their jobs, their homes and their relatives to gain the freedom that we Canadians have enjoyed since Confederation.

The urgency of the East German situation is a testament to the desire of humankind to be free. Canadians from all regions join with those East Germans in a united desire to help them attain their objective. I urge this government to take all steps possible to allow the new East German immigrants to resettle in Canada should they so choose. Canada must open its doors to people who have so openly demonstrated their desire to obtain freedom in an open and a democratic society.

* * *

UNEMPLOYMENT INSURANCE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, members of this House, both in this Chamber and in committee, have spent many hours over the past month debating the government's proposed changes to the Unemployment Insurance Act. We continue to do so, but as we are engaged in this debate with the government, the Department of Employment and Immigration

is already training its staff in employment centres across this country on the implementation and administration of the changes.

These changes are proposals for our consideration. They are not yet law. This government has demonstrated its total lack of respect for the democratic process over the past few months. It limited debate at second reading. It refuses to listen to the thousands of Canadians who will be hurt most by this bill. Then it once again brought in time constraints on debate in this House. Now we see it undermining the rights of Parliament to decide the fate of this bill. When is this government going to acknowledge that it was elected to govern in the interests of all, not to dictate in the interests of the few.

* * *

SOFTWOOD LUMBER EXPORTS

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, independent sawmill operators have been hurting in northern Ontario. They have been hurting for a number of reasons, but the one factor rarely mentioned is the 15 per cent tax on softwood lumber exports. The problem is not with the tax, but the fact is that the industry does not see the money being returned to forestry activity.

Since the softwood lumber export charge was implemented, the Ontario government has received $63 million in revenue. Last year, the province collected over $21 million and to date this year, it has taken in over $12 million from the forestry exporters.

• (1410)

In the last Ontario budget, the premier committed the province to an increase in spending of $18 million in forestry, but that falls far short of the over $63 million that the province has received from the federal government.

When will the province give the forestry workers of Ontario their fair share? When will the premier begin to think about northern Ontario and the independent sawmill operators and employees?

[*Translation*]

MEECH LAKE ACCORD

Mr. Guy St-Julien (Abitibi): Mr. Speaker, on February 27, 1986, Mr. Jean Chrétien resigned as a federal Member of Parliament, and now he says the Prime Minister of Canada (Mr. Mulroney) has done nothing about Meech Lake for two years.

Mr. Speaker, why didn't Mr. Chrétien stay in Ottawa where he could have argued his position directly with the Prime Minister of Canada?

* * *

[*English*]

PUBLIC SERVICE ALLIANCE OF CANADA

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, parole and case management officers have been on strike for a week now. In response to a question from my colleague from Victoria last week, the Solicitor General stated everything was going well with respect to the way the government was handling this strike. Everything is not going well, Mr. Speaker.

In Kingston, one person is handling the work ordinarily done by 35. Last week, the Quebec police were called in against the strikers. In Toronto alone, 12 parolees have been arrested for breaking the conditions of their parole. Tensions are rising within the institutions as parole board hearings and applications for parole are being delayed. Members of the WP group are on strike because they have serious grievances that have not been addressed by this government in months of negotiations. These employees are seeking pay equity with their provincial counterparts and a reasonable workload. For those who are on the front line in the administration of our criminal justice system, I call upon this government to stop delaying and recommence negotiations now.

* * *

VISIT OF PHILIPPINE PRESIDENT

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, President Corazon C. Aquino arrives in Ottawa today. I am honoured to salute Her Excellency on her state visit to Canada, the first by a Philippine president.

Some Hon. Members: Hear, hear.

Mr. Pagtakhan Indeed, her visit is an historic one. Truly concerned for the well-being of the Filipino people, Her Excellency brings their aspirations to all Canadians.

There is hardly a need to remind Canadians about the seriousness of her purpose. The Philippines needs Canada for investment and trade as the Philippines reconstructs itself from the economic ruin caused by past authoritarian rule. In turn, Canada benefits from such economic partnership.

I urge the Prime Minister to reaffirm Canada's commitment to assist the Philippines not only through international aid programs, but also through enhanced trade and investment, and thereby assist her in cementing the pillars of democracy and human dignity in the Philippines, in improving the living conditions of the poorest of the Filipino people, and in bringing peace to them.

I invite my colleagues to join me in welcoming President Corazon Aquino to Canada.

* * *

MINISTER OF FINANCE

Mr. Bob Horner (Mississauga West): Mr. Speaker, as of today, Monday, November 6, the Hon. Michael Wilson has served as Minister of Finance for 61 months and 20 days.

Some Hon. Members: Hear, hear!

Mr. Horner: This makes Michael Wilson the longest serving Minister of Finance in over 35 years. He has now surpassed the time in office of Donald Fleming, who served as Minister of Finance in the Diefenbaker government for 61 months and 18 days. buffs, it is a reflection of his outstanding abilities.

Canadians know that while Michael Wilson is the Minister of Finance, the effort to balance the books will be unrelenting. The competence, consistency and tenacity of the Minister of Finance, not just over a short time but over the long haul, deserves our respect. Let's give him a standing ovation.

Some Hon. Members: Hear, hear!

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PROPOSED GOODS AND SERVICES TAX

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the fact that Michael Wilson has served as long as he has as finance minister means only one thing, that the government does not care at all what the people of Canada think.

Some Hon. Members: Oh, oh!

Mr. MacLellan: Mr. Speaker, the Minister of Finance has done for the finances of this country what the Boston Strangler did for Avon ladies.

Today I received a petition, signed by 228 citizens of my constituency, protesting the government's introduction of the GST, the gouge and squeeze tax to the people of my riding. It is most interesting to note that this particular petition was organized by none other than the Canadian Federation of Independent Business, an old ally of this government.

Recently Sydney, Nova Scotia, ranked one hundred and seventeenth levels in a survey done by Statistics Canada into the income of urban areas. With an average income of under $17,000 a year, the people of my riding are in no position to withstand the savage attack on their spending power which will result with the introduction of this tax. The government has taken away the trains, it has taken away the regional development assistance, it has wrecked the fishing industry. Will the government please, at least, relent and do away with this terrible tax.

ORAL QUESTION PERIOD

[*English*]

INQUIRY OF THE MINISTRY

Hon. Bob Kaplan (York Centre): Mr. Speaker, one of the most precious traditions of our Canadian democracy is that the RCMP has the independent responsibility to decide whether and when to lay charges, especially in cases of political interest. It appears from sworn evidence, given by an RCMP officer this morning in a criminal trial, that this tradition has been violated. In the budget leak affair on May 30, I asked the Solicitor General for an assurance that the—

Mr. Speaker: Just a moment. I will hear the question, I do not want any more preamble. I will hear the question and then I am going to decide whether we can proceed with it. I would ask the hon. member's co-operation.

Mr. Kaplan: Mr. Speaker, on May 30, 1989, the Solicitor General assured the House, and I quote from page 2324 of Hansard:

> The RCMP has conducted its investigation. It has consulted with members of the Attorney General's Department of the province of Ontario. It has concluded that charges should be laid.

I ask the Solicitor General to explain his behaviour and the behaviour of the government in the light of the evidence adduced this morning under sworn testimony by an RCMP officer.

Mr. Speaker: The question creates very considerable difficulty for the Chair, and I would ask that all hon. members bear with the Chair for a moment because the matter is a very serious one. I want to be sure that all hon. members understand why I feel that I must intervene at this time, and I want to be sure that the public understands.

In Beauchesne's fifth edition, page 118, I read paragraph 335 under the heading, "The Sub-Judice Convention":

> Members are expected to refrain from discussing matters that are before the courts or tribunals which are courts of record. The purpose of this sub-judice convention is to protect the parties in a case awaiting or undergoing trial and persons who stand to be affected by the outcome of a judicial inquiry.

I ask hon. members to listen carefully to the next words.

> It is a voluntary restraint imposed by the House upon itself in the interest of justice and fair play.

The next paragraph is 336(1) which reads:

> The sub-judice convention has been applied consistently in criminal cases.

The case referred to is clearly a criminal case. And, there are some references to *Debates*. I do not have those references in front of me, yet.

Paragraph (2) reads:

> The precedents in criminal cases are consistent in preventing reference to court cases before a judgment is rendered—

It goes on to say:

> —however, the convention ceases to apply after the judgment is given.

There is no question, I think, at the moment that this is just the commencement of a criminal trial and judgment has not been given.

Those are the immediate references which I must bring to the attention of the House.

• (1420)

The hon. member for York Centre out of courtesy to the Chair, and I advise hon. members of this, indicated to the Chair that he would seek to ask a question along these lines. I know he will put some arguments at an appropriate occasion as to why those references in themselves and as read to the House ought to be the subject of some examination. What I am going to do at the moment, and I hope the hon. member for York Centre will accept this in the best spirit of this place, is indicate to the hon. member that I will not take any further questions on this point, but I will hear the hon. member at an appropriate time and as quickly as possible after Question Period. I will listen to his arguments.

Mr. Kaplan: Mr. Speaker, I came prepared earlier today to ask questions on the subject of the government's abortion legislation. I propose to do that, but may I just say in passing, as you indicated yourself, the *sub judice* rule is a convention which is imposed voluntarily on the House and I intend to argue at three o'clock that there are higher values.

Mr. Speaker: I know the hon. member for York Centre very well, and I expect that he will bring some very cogent arguments to his case, but we will hear it after Question Period.

Again I thank the hon. member for indicating to the Chair that this difficult matter was going to be raised. I would ask the hon. member to proceed with his other questions.

* * *

[*Translation*]

ABORTION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Justice.

Friday, the Government tabled its bill on abortion. My question is based on this legislation.

On all sides, doubts have been expressed about the constitutionality of the Bill. I would ask the Minister, in order to prevent a false start and a long, drawn out debate that might take years, and to avoid the inevitable court challenges which, in each case, will be linked to the fate of women like Dodd and Daigle, and he demands

for urgent review by the Supreme Court of Canada, whether he is willing to take the step which, obviously, only he can take, namely enhance the status and even the legitimacy of the Bill by submitting it now to the Supreme Court of Canada.

[*English*]

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would advise my hon. friend that this course of action was considered. We felt it was our responsibility as legislators to grapple with this very difficult problem. We spent some time doing it and have come up with what we think is a reasonable solution to a very sensitive issue. We feel that it is up to Parliament to debate and decide on this matter and not, at this time, the Supreme Court of Canada.

Mr. Kaplan: Could the minister explain what is lost by taking the time now to refer it to the Supreme Court of Canada, before all of the debate and controversy and litigation which will inevitably occur and which in every case will be tied around the fate of a particular pregnant woman with a demand for urgent review by courts of appeal in the land? Why put the country through that when this step which would add legitimacy and would add stature to the government's draft legislation could be considered now?

Mr. Lewis: Mr. Speaker, I think what is at stake here is the authority of Parliament to legislate vis-à-vis the authority of the Supreme Court to interpret. We feel it is important that the legislation go forward with the imprimatur of Parliament on it. We believe that there was a request for leadership from the public. We have given that leadership. The legislation we are bringing forward has considerable thought put into it, considerable consultation. We believe that it should be debated here in the House of Commons.

Mr. Kaplan: Mr. Speaker, that will be one of the subjects of discussion and as I indicated to the minister, a whole range of issues is avoided by proceeding now to have the constitutionality of the matter reviewed.

I want to ask the Minister of National Health and Welfare about the issue of access. Is not the responsibility of the Government of Canada, which pays half of the cost of medicare and which is very proud of having developed a national standard health care service across the country, to assure that there is equal access in all parts of the country, whatever the abortion law of the country, and that women have the same system and the same opportunities available to them.

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, in taking the initiative that we have, the federal government spells out a context in which provincial governments can take decisions in areas which fall under provincial jurisdiction.

The Canada Health Act in no area spells out the specific procedures that must be provided in specific areas or in specific ways. For example, in the case of life threatening situations such as those involving cancer or involving heart disease, there is no requirement in the Canada Health Act that a province provide a specific service in a specific place.

This principle was well acknowledged by the then minister of justice of the day back in 1969 when abortion was last considered by this Parliament. The Leader of the Opposition, who was then minister of justice said this:

> The relationships and civil law between the patient and the doctor, between the patient and the nurse, between the doctor and the hospital, the nurse and the hospital, are relationships falling within the operation of provincial law, the civil law and the constitutional responsibility of the provinces—the subject of statutes which regulate hospitals and the professions. These are properly provincial matters—

Some Hon. Members: Hear, hear!

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is directed to the Minister of Justice. Given that the courts have before struck down a bill of this Parliament, why does he want to put the country through months of agonizing debate, this House through months of agonizing debate, only to have the ultimate constitutionality of the law decided, with the details of some poor woman's personal life being dragged through the courts for months on end?

Mr. Lewis: Mr. Speaker, I would repeat the comment that I made. There has been a demand from the public and from the opposition for leadership in this matter. We have applied ourselves to the question. We have drafted a bill which we think is a reasonable solution which defines entitlement to abortion. It is based on health grounds. We do not say it is perfect. We say that it is the best that we can do. It is not your bill, it is not my bill, but

it is a bill for the people of Canada. We have shown the leadership.

Some Hon. Members: Hear, hear!

Mrs. Catterall: Mr. Speaker, my supplementary question is to the Minister of National Health and Welfare. A woman's decision to seek an abortion is always a painful and agonizing one. Often it is based on the lack of support in society to value and support women and their children. Where is the legislation that establishes a sound family policy for Canada? Where is the legislation to give women access to counselling, to child care, to contraception, to training, to equal economic opportunities and to support, when they do have children? In fact, where is the legislation to allow women to choose to be mothers as well as to choose not to be?

Mr. Beatty: Mr. Speaker, I fully share the feeling that I think the hon. member expresses, that abortion should be a last resort and not a first resort. One of the challenges for all of us as parliamentarians is to ensure that we have an infrastructure in place that makes it possible for mothers to carry their children to term.

A number of those provisions are in place today in terms of assistance for counselling, for example, and in terms of assistance to people who are in need of financial assistance. When I speak in the debate later during the debate, I hope to be able to add to that and to announce other initiatives we may be taking in order to provide assistance in giving mothers the sort of help that they need to take positive decisions.

The hon. member asked specifically about the question of child care. Indeed, as was indicated by the Prime Minister, the government is determined to put in place a national child care program during this Parliament.

Some Hon. Members: Hear, hear.

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HEALTH CARE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is either for the Minister of National Health and Welfare or for the Minister of Justice.

The Minister of National Health and Welfare certainly knows that the Canada Health Act requires provinces, in order to be eligible for funding coming from the federal government, to meet five criteria. High amongst these are the questions of comprehensiveness and accessibility.

• (1430)

Both ministers also know that there are certain regions in this country which deny to women the right, confirmed by the Supreme Court, to have access to an abortion. With the proposed legislation that has been introduced, entailing as it does the possibility of Criminal Code sanctions, women in Canada are now concerned that this unfair access across Canada is going to become even more unfair.

Therefore, I want to ask the Minister of National Health and Welfare, why does he not use the authority that the federal government does have under the Canada Health Act to make sure that all Canadian women have fully equal access to their rights in this domain right across Canada?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I have a copy of the Canada Health Act in front of me. As the hon. member will know, in the preamble of the Canada Health Act, Parliament made it abundantly clear that the Canada Health Act was in no way designed to derogate the constitutional responsibilities of either level of government. The provisions of health services is constitutionally the primary responsibility of the provinces. In the Canada Health Act—

Mr. Broadbent: Primarily?

Mr. Beatty: Mr. Speaker, the hon. gentleman asked a question, and I am trying to answer it. As the hon. gentleman will know, in the Canada Health Act no mention is made whatsoever of any specific procedure having to be provided in a specific way. For example, there is no requirement under the Canada Health Act that procedures which could help to save lives such as procedures dealing with cancer or with heart disease must be provided in a specific way by any of the provinces.

Is the hon. gentleman proposing that the federal government should invade an area of provincial constitutional jurisdiction and specify that in the case of specific services, provinces must provide those services in a specific way or the federal government will refuse to fund medicare?

Mr. Broadbent: Mr. Speaker, I am proposing now, as I always would propose, that the federal government use only the authority that it has. Both the federal government and the provincial governments have jurisdictional authority in this domain. It is in the federal act that the words "comprehensiveness" and "accessibility" are used. Specific words could have been included to make particular operations included if the federal government had wanted to do so. I am not even asking the minister to do that.

The minister has alluded to the fact that operations for cancer, for example, are not put in the act. Certain hospitals across Canada have not said on principle that they will exclude cancer operations, but have specifically said that they will exclude abortions. They have made the decision to deny comprehensiveness and accessibility, going against what I would argue is the federal authority in terms of legislation.

Will the government show true leadership in this debate instead of hiding behind a past act, interpreted the way the minister wants? Either give it a broader interpretation or amend that act to provide the accessibility that all Canadian women ought to have.

Mr. Beatty: Mr. Speaker, the hon. gentleman is asking that we violate the Constitution of Canada to do what he would like us to do. Our obligation is to respect the Constitution of Canada—

Mr. Broadbent: No, I'm not. Didn't you hear the question?

Mr. Beatty: The hon. gentleman asked his question. Surely I am entitled to answer it Mr. Speaker. We have an obligation to respect the Constitution of Canada which gives the primary responsibility for the delivery of health services to the provinces. The hon. gentleman concedes the fact that nowhere in the Canada Health Act is any procedure, including life-saving procedures, required to be provided in a specific way by any province. What the hon. gentleman proposes is that we throw constitutionality to the wind—

Mr. Broadbent: Nonsense!

Mr. Beatty: Mr. Speaker, again the hon. gentleman should listen to the response. He asked that we ignore the constitutional responsibility of the provinces and of Ottawa, that we engage in an invasion of provincial jurisdiction. Doing so could threaten the very constitutionality of the Canada Health Act.

Mr. Broadbent: I will leave that minister's rhetoric aside. He knows I did not propose violating the Constitution. I say to the minister, refer my proposal to the Supreme Court. I will accept its decision if the minister will accept its decision.

[*Translation*]

Mr. Speaker, my last question is directed to the Minister of Justice. According to the Supreme Court, Canadian women are entitled to unqualified access to abortion in all regions of this country. However, there are regions in this country that do not give Canadian women that right.

My question is, simply, why the government did not table amendments to the Canada Health Act, consistent with the Supreme Court's decision to give all Canadian women the same rights in all regions.

Mr. Beatty: Mr. Speaker, the Hon. Member asked the same question in English and in French. The answer is the same. We must all respect the Canadian Constitution.

* * *

[*English*]

MEMBER OF THE SENATE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the minister responsible for the Federal Business Development Bank and is about the issue that will not go away. On Friday, the minister for small business, on his kamikaze mission, said in the House of Commons that the Cogger-FBDB bills were quite small and would not necessarily be brought to the president's attention.

Apart from the fact that those bills totalled some $104,000, a relatively nice small amount, how can the minister then explain the internal memo of the Federal Business Development Bank which I have in hand, part of which says about Lapointe Rosenstein bills that this bill was signed by the president, the president approved payment of same, invoices were signed by the president and so on? How about that for information that was kept away from the president? How can the minister explain the actions of his colleague last Friday? Could he give us the latest version of the truth in this affair?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the president of the Federal

Business Development Bank on Friday afternoon issued a statement which I am sure the hon. member must have received. This statement says: "The Federal Business Development Bank has thoroughly reviewed its records once again. These records do not indicate that Senator Michel Cogger did any work on mandates assigned to the Lapointe Rosenstein law firm after his appointment to the Senate". I think that takes care of the issue.

[*Translation*]

Mr. Boudria: Mr. Speaker, I am delighted that the Minister also read the statement. And since he read it, as he claims he did, he must know that the statement says: "These records do not indicate that Senator Michel Cogger did any work on mandates assigned to the Lapointe Rosenstein law firm after his appointment to the Senate". What about the contract awarded before his appointment to the Senate and completed afterwards? Did the senator work on those cases, yes or no? Could we have a straight answer, once and for all?

[*English*]

Mr.Andre: Mr. Speaker, I am not sure what the hon. member is asking because I think the Senator said in his statement to the House that before he was a Senator, as a member of a law firm, in fact he did do work on the file. But, as indicated by the president of the Federal Business Development Bank, he has no record of Senator Cogger doing any work on behalf of Lapointe Rosenstein after he became a Senator.

Mr. Boudria: Read it, that' not what it says.

Mr. Andre: That's exactly what it says. I will quote it again. "The Federal Business Development Bank has thoroughly reviewed its records once again. The records do not indicate that Senator Michel Cogger did any work on mandates assigned to the Lapointe Rosenstein law firm after his appointment to the Senate." That is pretty clear to anybody. I realize that if you have an appetite for spicy scandal, the bland truth is disappointing, but you are going to have to accept it.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, if the truth is bland, that is really all I think we are looking for here.

Last week, we were informed by the Solicitor General that the RCMP had begun looking into the recent allegations regarding Senator Cogger. My question is directed to the Minister of Industry, Trade and Technology. Has the minister provided to the RCMP the complete list of lawyers authorized to do legal work for the Federal Business Development Bank? If he has not, will he do so immediately, and table that list in the House at the same time?

• (1440)

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, if the Hon. Member will put that question on the *Order Paper*, I am sure we will try to find an answer.

I think the hon. member would have to admit he is engaging on what would constitute a witch hunt here and he is looking for—pardon me for mixing the metaphors—some further skeletons. I will co-operate in answering any questions he puts on the *Order Paper*, but I cannot be expected to have that information at question period.

Mr. Lee: Mr. Speaker, my supplementary question has to do with the same thing. This is a very ordinary list, an administratively used list in every FBDB office across the country.

On Friday we asked whether Senator Cogger or his firm have had any dealings with any government agency or department. We did not get an answer. Therefore, I ask again, and this time I direct my question to the Prime Minister, does the government have any knowledge now of Senator Cogger or his firm doing work for any other government agencies or departments after his being appointed to the Senate in May 1986?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am sure that all colleagues in the House will know that by the very nature of that question, it can only be answered on the *Order Paper*.

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INCOME TAX

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, my question is directed to the honourable and distinguished Minister of National Revenue. Canadians are becoming more and more alarmed with their general tax guides. The 1988 general tax guide was more like a

22-page scavenger hunt to determine Canadians' abilities and federal and provincial tax payable. I want to ask the minister what he proposes to do to change the tax guide so that it is more simple for Canadians to fill out as they have done in the past and are unable, it seems, to do in the present. Is the 1989 tax guide going to be far easier to handle than the past one?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, with friends like that, who needs enemies?

It is true that over the last 20 years the tax guide and the system have become quite complex. This sounds like a set-up question and I was not aware my honourable friend was putting it. Since he did put it, I can assure the member that from last year to next year, we will be reducing the number of pages in the tax guide by some 15 per cent.

We have looked at every conventional method of simplifying the system, and I am happy to announce again that we are moving into the electronic age. Next year, for the first time in the history of this country, we are going to electronic filing which will lead us toward a paperless society within the next decade.

I can assure my hon. friend, all members of the House of Commons and Canadians as a whole that every effort is being made in consultation with interested groups and individuals to make the system even less complex, particularly compared to the one we inherited five years ago from the Liberals.

Some Hon. Members: Hear, hear!

* * *

HEALTH CARE

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, my question is directed to the Prime Minister. It is about the direction his government is taking on the abortion issue.

Every rational thinking person in this country knows that the key to reducing the number of abortions in this country is to reduce the number of unplanned pregnancies. Why does this government not take positive action?

First, the Family Planning Division at National Health and Welfare was disbanded, leaving only one full-time person in all of National Health and Welfare to work on family planning issues. Why did this government cut funding to Planned Parenthood by $61,000 in its first mandate? If it is really so concerned with the number of abortions, why does it not approach the issue by working toward preventing unplanned pregnancies?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I am pleased to inform the House that the hon. member's information is out of date. We have increased funding for Planned Parenthood. Indeed, the goal of this government is to provide positive alternatives to abortion. We believe that abortion should be a last resort and not a substitute for birth control. As a consequence, we will take any measure we can appropriately take to reduce the causes of abortion in Canada.

Ms. Black: Mr. Speaker, over all in the mandate of this government, the funding to planned parenthood has been reduced significantly, even though there has been a very slight increase this year.

Family planning, like family violence, is not solely a provincial responsibility. National Health and Welfare has a national clearing house on family violence. Why does it not have a national clearing house on family planning? Why is the federal government not playing the role that it could play in family planning education and have adequate funding for educational programs so that all people in Canada could work together to reduce in a positive way the unwanted pregnancies in this country?

Mr. Beatty: Mr. Speaker, our approach is to do precisely that, to give Canadians a positive alternative to abortion and to ensure that information about contraception is widely available in Canada. The hon. member is wrong. We substantially increased funding for Planned Parenthood to disseminate this information. That is important. It should not be simply dismissed by the hon. member.

I think the onus is on all of us in the House of Commons, if we believe that we should be finding alternatives to abortion, to look for ways to disseminate information, to look for ways to give support to mothers, to look for ways to ensure that women are not driven into a situation where they believe that abortion is the only recourse that is open to them.

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the attention of hon. members the presence in the Gallery of a parliamentary delegation from Australia, led by the hon. Barry Cohen, member of Parliament.

Some Hon. Members: Hear, hear!

Mr. Speaker: I also wish to draw to the attention of hon. members the presence in the gallery of Mr. Vladimir Bulatov, Deputy of the Peoples' Congress of the U.S.S.R.

Some Hon. Members: Hear, hear!

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AGRICULTURE

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, my question is for the Minister of Agriculture. At a recent meeting Canadian food processors indicated that the so-called level playing field established by the free trade agreement cannot and will not work under the present farm product marketing system. These people are experts with hands-on experience in the food processing and food industries. With this statement and all other recent happenings, does the Minister still say that the free trade agreement protects our farmers and their existing marketing system?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I think the free trade agreement speaks for itself. Clearly supply-management systems were in fact preserved under the free trade agreement, as the hon. member knows.

If things are so bad in the processing industry, I would like to ask the hon. member how come the processing industry has agreed to invest a further 15 per cent over last year in the processing and manufacturing of food products in Canada? It looks as if that tendency is going to be maintained over the next four or five years. I think that is a pretty positive signal.

Mr. Vanclief: Mr. Speaker, my supplementary question is directed to the same Minister. The president of the Ontario Food Processors Association has spoken to us recently, and he disagrees with the statement that the minister has made. He speaks on behalf of 46 processors in the province of Ontario alone. His federal association has in the past had audiences with the minister and has presented briefs to the minister.

Has the minister reviewed those briefs? After reviewing them and those presentations, how does he say that the free trade agreement will continue to protect the food processing industry and Canadian farmers?

Mr. Mazankowski: I think the best vote of confidence is the fact that processors are indeed investing in more equipment and capital to the tune of 15 per cent more this year than last year. As a matter of fact, I quote the headline in the *Financial Post* of October 18, 1989. "Canada is reaping benefits from the trade deal, U.S. figures show". That applies to agriculture. That applies to the energy sector. That applies to the manufacturing sector. That applies to almost every sector across the country. That is why we are the leaders in the world in terms of economic growth, development and job creation.

* * *

UNEMPLOYMENT

Hon. William Rompkey (Labrador): Mr. Speaker, my question is for the Minister of Employment and Immigration who, on Friday afternoon, announced $2 million as the special response to the crisis in the Newfoundland and Labrador fishery, where by her own admission, 3,400 fishermen and plant workers are affected.

• (1450)

I remind her that last year $6 million was available to 1,500 fishermen who were affected. In other words, this year the crisis is worse, the amount is less.

Does the minister not realize that if she holds to this course, there will be fishermen and plant workers on the Labrador coast who will be forced into bartering this year in order to survive? Will she give us a commitment now, if the government and unions can show that the need is greater than she has anticipated, that she will increase the amount in order to meet the need?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I should point out that this is only one part of what we are doing in the fishery in Newfoundland. As the hon. member knows, we have a cabinet committee working on some of the problems of the fishery. I recognize the significance of the problem

within Newfoundland. We will continue to come up with solutions as they are required.

Mr. Rompkey: Mr. Speaker, I want to remind the minister that the need is now. It is now November and it is getting pretty cold. People must have enough to survive for this winter. The Minister has created a catch-22 situation in the qualifying because in order to qualify, you must have 10 weeks of benefit period in the fishery only last year. The only way people qualified last year was through the special response feature that she had announced. That amounts to a catch-22 situation for fishermen and plant workers who want to qualify.

Will the minister modify the qualifications for her program this year and build in the flexibility that includes a long-term attachment to the fishery rather than simply insisting that people have 10 weeks of qualifying only in the fishery last year, because that creates a catch-22?

Mrs. McDougall: Mr. Speaker, what we have done is design the program this year with the flexibility in it that we have always had so that it will define it directly for people who have an attachment to the fishery.

My officials in Newfoundland are working very closely with the workers and with the industries around the definitions and their interpretation. I will be in touch with them on a regular basis to ensure that the programs we have established meet the goals that they were intended to meet.

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MEMBER OF THE SENATE

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Acting Minister of Consumer and Corporate Affairs. He read the press release which indicated that the records of the FBDB did not show that Senator Cogger did any work. Since the cheques were sent to Senator Cogger and since Senator Cogger did the billing, has FBDB checked to make sure that Senator Cogger did not do the work?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the FBDB would have no way of knowing who in the firm did the work and it is not its responsibility. As I interpret the hon. member, and perhaps he might correct me if I am wrong, is the hon. member suggesting it is the responsibility of FBDB to ensure that in fact the funds paid in terms of legal work was not for work done by anybody who might be prohibited from doing so under Section 14? If that responsibility is evident in the act, perhaps he could point out the language that would impose this responsibility on the FBDB.

Mr. Murphy: Mr. Speaker, the bill was sent July 5 from the senator to FBDB. The file indicates that the president of FBDB himself authorized the payment to the senator's firm. The letter was sent back to the senator. Is it not quite obvious and is it not a concern of this minister that his agency did not check to see whether or not Senator Cogger was indeed breaking the law of Canada?

Mr. Andre: Mr. Speaker, the continuous repetition of these questions is probably good reason why these should be reserved to the Senate where the senator has asked for a special committee to be struck to look into it and those kinds of matters to be pursued.

I remind the hon. member that the invoice came from the law firm of Lapointe Rosenstein. The cheque from FBDB was paid to Lapointe Rosenstein. The comptroller checked with the officer in the company that had requested the legal service to see whether in fact it had been done. The president said yes, it had been done, the bill should be paid. The president has checked his records thoroughly and can find no evidence, as he said in a press release on Friday, that Senator Cogger undertook any of the legal work. I realize again that in this desperate search for a scandal, you leave no rock unturned, but I am afraid this happens to be the truth.

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PROPOSED GOODS AND SERVICES TAX

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, my question is for the Minister of Finance. In the riding of Elk Island, a well known music producer has told me that the existing manufacturers' sales tax is crippling the music industry in western Canada. He informed me that under the present system, the federal government collects the sales tax before his products are sold. This seems unfair. He claims that the new GST may help. Is this in fact true and, if so, how will the proposed new GST system help the music industry, especially at a time

when we are trying to diversify our economy in western Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member has made a very astute observation about the importance of the change from the existing sales tax to the proposed sales tax. There is no question, and there is widespread agreement that the existing tax is a bad tax, that it does hinder industry. It does hinder the diversification of industry and, as the hon. member has pointed out, it does so in western Canada and in his own riding of Elk Island.

What the new tax does do is remove all tax on inventory almost as soon as it is paid so that the taxpayers are now able to carry inventory free of the burden of sales tax. That is different from the existing tax where the sales tax is paid immediately by the individual company and that tax is carried right until the final sale is made by that company of its product. So there is a very major improvement in the operations of the sales tax system.

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UNEMPLOYMENT

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is to the Minister of Employment. My riding is in the highest unemployment zone in Canada and it is primarily in the north, a fishing constituency.

In answering questions from the member for Labrador, the Minister of Employment either did not understand the nature of the questions being put by my friend or, more frightening, may have understood and chose to answer the way she did in any case.

I make a plea to the minister on behalf of the people in northern Newfoundland and in rural Newfoundland who have had three successive failures in the fishery. That fact can be substantiated by the Minister of Fisheries. It can be substantiated by many members who represent fishing constituencies throughout Atlantic Canada.

Does the minister realize that the regulations this year for qualifications under the special response program in fact say to fishermen that if you have had two disastrous years in a row, you do not qualify. The bottom line says to fishermen if you, as a result of natural consequences, not your fault, have two bad years in a row, the Government of Canada no longer considers you a fisherman. Sell your boat, destroy your gear, go on welfare or go into a forced resettlement program somewhere else in this country. Will the minister take a look at that program, for God's sake, and help people maintain a traditional way of life.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, if the hon. member had read the announcement, he would see that we announced that there are specific criteria to determine who qualifies. The criteria are intended to provide assistance to *bona fide* fishing industry workers. Individuals unable to receive these special benefits but with proven attachment to the fishing industry will be able to request a review. We are doing everything we can to be flexible for the people with an attachment to the fishing industry.

Mr. Tobin: Mr. Speaker, that is precisely the point. Does a farmer stop being a *bona fide* farmer because he has had two bad years in a row for reasons that have nothing to do with the farmer? No. The Government of Canada rightly assists the farmer and we applaud that. We are asking for the same consideration for fishermen.

The current rules say to a fisherman who had a disaster last year and a disaster again this year, you are no longer a fisherman, we cannot help you. I am saying, if you do not change those rules, you will force the resettlement of thousands of fishermen out of rural Canada.

Mr. Speaker: That is more of a statement than a question. The minister may want to rise.

Mrs. McDougall: Mr. Speaker, we have been in constant touch with the provincial fishing industry and fishermen in Newfoundland. We have been helping people in the fishing industry every year when there has been a special need and we will continue to do so. I do not think that shouting around this Chamber is going to help them a whole lot either.

• (1500)

Mr. Speaker: I will take a single question from the hon. member for Brant and a single question from the hon. member for Gloucester.

LOW LEVEL FLIGHTS

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister of National Defence. The Department of National Defence is currently actively soliciting the NATO Alliance to locate a low level flight training centre at Goose Bay, Labrador.

At a time when a major effort is being made in Europe to reduce east–west tensions and when both alliances are undertaking confidence–building measures, as indeed are the two superpowers, does the minister actually believe that this is the time for Canada to be pushing for an expansion of NATO's military activities?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the member and the government disagree on even the membership in that alliance, so therefore I do not find it at all strange that the spokesman for defence in the New Democratic Party would say that we should not take part in training NATO pilots so that they are better able to defend not only their countries, but Canada.

We all welcome the actions and the discussions that are taking place in Europe. I say to the hon. member that there are more flights undertaken by Canadians in Germany than there are by other nations in Canada. It is an opportunity for Canada to add assistance to the alliance in which we both seek security. If we do as the hon. member suggests and not train pilots at low level, we will be putting those pilots, Canadians and others, at risk. The training is necessary.

The member is talking about NATO. Canada, as long as this Party happens to be the government, will be a member of NATO and will seek security in NATO.

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PROPOSED GOODS AND SERVICES TAX

Mr. Douglas Young (Gloucester): Mr. Speaker, I would like to address my question to the Minister of Finance. It is really a question on which Canadians need some clarification.

The minister, in his technical documents and in statements made by government members, indicates that the goods and services tax, on the one hand, is revenue–neutral. But the gospel is being spread that the goods and services tax would also address the deficit problem in this country and reduce the debt.

The minister cannot have it both ways. I think Canadians deserve to know from the minister very directly if the goods and services tax is revenue–neutral, replacing the existing manufacturers' sales tax, or if the goods and services tax is going to reduce the deficit and pay down the debt.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that requires a two–part answer. The first part is that in the actual process of tax reform we established a principle in the White Paper of June, 1987, whereby we would not try to bring in extra tax revenues through the back door under the over–all umbrella of tax reform. In that sense, the GST does not contribute to an immediate reduction of the deficit.

However, in the last budget, as an example, we raised the sales taxes by about $2 billion, or close to 1 per cent in rate on the proposed tax. Those additional revenues are there in the 9 per cent proposed rate and those revenues will directly contribute to getting the deficit down.

In addition, as I pointed out on a number of occasions, the existing tax is subject to a good deal of tax avoidance. If we do not make a change in the tax about $2 billion is at risk. One of the reasons we are proceeding with the sales tax reform is to plug that loophole, a loophole which the Auditor General himself pointed out was there. That is another way we can contribute to deficit reduction by the introduction of the GST.

Mr. Speaker: That concludes Question Period.

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WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I rise today to give notice of a Ways and Means motion to amend the Income Tax Act, and I ask that an Order of the Day be designated.

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BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, if I may, I wish to advise the House that the business to be debated tomorrow will be C–43, an act respecting abortion.

PRIVILEGE

SUB JUDICE CONVENTION

Mr. Speaker: I indicated earlier in Question Period that I would hear argument on the point that the hon. member for York Centre raised. I would ask him, in arguing, to stay away from whatever evidence may or may not have been presented in the court room and to stay on the main issue, of which I think I have a pretty good picture in any event, but I certainly will hear the hon. member.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I rose during Question Period to ask a question based on evidence, as you have noted, which arose this morning and was adduced under oath from a staff sergeant of the RCMP in the course of a criminal trial. I confess, I was not surprised to see Your Honour on your feet with some concern about the applicability of the *sub judice* rule. I am rising now to address the relevance of the *sub judice* rule and the place of it in our rules of procedure in the House in the hope and expectation that, since the Solicitor General is still in the House, if a finding is made by Your Honour in favour of the submission which I have to make I might be given an opportunity to ask my question and, equally important as you will see, that the Solicitor General be given an opportunity to answer the question.

In connection with the *sub judice* rule, I want to make two alternative arguments. In the first place I think there is a tendency which we can all understand for the pressure to exist in the House to distort the *sub judice* rule itself, and obviously unintentionally. I think on the government side there is always a tendency to attempt to stretch the *sub judice* rule to protect or cover the government from having to give explanations or answers about matters on which it would have to answer. I confess on the side of the opposition there is certainly a tendency to want to shrink the *sub judice* rule so that the government will be exposed to more areas in which questions can be asked than it otherwise would.

I would ask Your Honour to reconsider the specific questions that I asked this afternoon from that point of view. I want to make the submission to you, Your Honour, that properly applied the *sub judice* rule does not really protect or cover the government from any responsibility to answer the kinds of questions that I was asking.

It is true that the evidence to which I was referring was adduced from a staff sergeant of the RCMP at a criminal trial. But, Your Honour, the evidence which was adduced in the submission that I made to you is not material to the issues before the criminal court and, at the same time, it is extremely material to issues which are the proper subject of debate and discussion in this House. It is material to the question of whether the Solicitor General was truthful to the House when he said that the RCMP had laid the charges completely on their own. It is material to the proper functioning of the Government of Canada in relation to the RCMP, to the long-established tradition of independence of the RCMP. It is material to the responsibilities of the Minister of Justice, to whom I would have also directed questions, as to the obligation of the Government of Canada to operate in conformity with the laws of our country.

The charge, however it was obtained—and that was what the evidence of the staff sergeant was about—is there before the court. The material evidence about the conduct of the accused, the conduct of other witnesses and their responsibilities will be adduced, will be supported and will be challenged, and a determination will be made.

My first submission to you, Your Honour, and this is the closing of this point, is that the question of from where the charges came from, which is so material to us, so much our responsibility in this House of Commons to deal with, has less to so, or little to do, or little material do with the actual criminal case. Second, Your Honour—

Mr. Speaker: In order to assist the Chair, I take it the point you are making is that the question you want to ask has nothing to do with the guilt or innocence of any person or persons presently before that criminal court. It has to do with something else which is related to the administration of government. Is that your point?

Mr. Kaplan: Mr. Speaker, that is correct. But I have an additional submission which I want to make because while I submit that and while I firmly believe it, as you have eloquently and directly put it yourself, I think there

is a limit to the *sub judice* rule and I think we ought to frankly, on an occasion like this, discuss that limit.

• (1510)

If you were to determine, in spite of the submissions that I have just made and the summary which you have just given, that the issue of the process by which these charges were laid is somehow material to the criminal case now proceeding, I submit, Sir, that the *sub judice* rule has its own limits. And while I do not think it applies if Your Honour were to find that it does apply I want to argue that it should be suspended, and I will do that very briefly.

I would argue, in that event, that the rule should be suspended for the simple reason that there are higher values than a particular criminal case and in the event that we were to enter into the discussion which I am urging upon you and it affected the criminal case unfolding now, a judge might well have to find that an acquittal has to be entered.

I can recall in my own experience as a Solicitor General that there were statements made in the legislature of the province of Quebec during a court process, a criminal trial, in which an RCMP officer was the accused. Because of those statements, which the defence council for the RCMP officer raised, the trial judge decided, in the circumstances of what had happened in the legislature, to direct an acquittal.

I submit even if that were to happen as a result of the discussions which I am inviting you to permit—the questions and the answers—that it would be worth it because we are dealing in this case with the most fundamental questions for which a government is accountable. We are dealing here with a tradition of the RCMP. We are dealing here with a contradiction, a statement by the minister which could not have been clearer. I asked the question myself and the minister was categorical in the answer that he gave, and that answer is now contradicted under oath.

Think of what we do in this place. We are asking questions about whether a senator, Senator Cogger, should or should not be charged. That question is affected by the possibility of manipulation of the RCMP. If it were merely because a criminal case were ongoing or a number of criminal cases were ongoing that a government was prevented or protected month after month from having to answer a very fundamental questions, our democracy would be abused. That is the reason the *sub judice* rule is stated as it is, why it is a voluntary restraint, why there are times when it should be suspended and, Your Honour, I submit that, were you to find that it applied to the question I wanted to ask, this is such a case.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I rise to support the argument that has just been made and, like the member who has just spoken, I understand and appreciate why Your Honour intervened during the Question Period today before making a judgment about the acceptability of a certain line of questioning. Because when it comes to a question of fundamental justice as it affects the rights of Canadians outside of this House all of us in this Chamber, although it is the law-making Chamber of the land, have to be careful to a very extreme degree in terms of what we do here. I just say that by way of preamble to my comments on the issue before us and any comments that I now make should also be seen in that light. My own concern is with those outside of this House who are involved in criminal proceedings particularly.

It seems to me that the *sub judice* convention to which you have referred does not apply in the particular case for the following reasons: the Canadian in question, who has now been charged with a criminal offence, Mr. Doug Small, is, without being precise about the wording of the law in question, being charged with the violation of the Criminal Code as it pertains to certain documents related to the budget leak.

The questions that I intended to raise, speaking for myself, and I presume which the member who has just spoken had planned to raise, had nothing to do strictly with that issue, nothing to do with whether or not Mr. Small was guilty of what he has been charged. What I was interested in raising today was another matter, namely, whether the testimony of Staff Sergeant Richard Jordan was accurate with reference to the responsibilities of the Solicitor General in the House of Commons, whether he was or was not doing his job in the proper fashion. Staff Sergeant Jordan, according to the Canadian Press reports coming out of the court proceedings, said that he had been pressured into delaying charges "to please elected officials".

As you will know, Mr. Speaker, if that turns out to be true, that is an extremely serious matter going to the root of the administration of justice in Canada. With that

statement I do not think anyone in this House, on either side, would be in disagreement.

So the matter is one of considerable importance. I would argue that our raising questions about the ongoing application of the principles of justice and the administration of law in terms of the minister exercising or not exercising his responsibilities correctly is not pertinent to whether Mr. Small was guilty or innocent of the charges that have been brought against him.

That, in essence, is my point. I think the matter is extremely serious. There were many of us in the House at the time this budget leak took place who thought the government was acting in an inappropriate way and said so at that time. Questions were raised, answers were provided that, on the surface, one had to accept in accordance with one of the rules in the House. Now we have testimony in a court of law that is extremely damaging to the government in the sense that if it is accurate it should concern all Canadians. The implications are that the administration of justice in Canada is taking place in a partisan way, not to ensure that the law of Canada is applied in an equitable way but to ensure that the political agenda of the government of the day is adhered to.

That is extremely serious and if it continues for some period of time before the courts then the administration of justice in the country is at stake. It seems to me that we on the opposition side have a fundamental obligation to pursue this matter, not as to whether Mr. Small is guilty or innocent—the courts are looking after that—but to determine as soon as possible if there is political interference in the application of justice in this country. That to me seems to be the issue.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the opportunity to enter into this discussion, however briefly, in view of the nature of the question before the House. I think we would all do well, as was referred to in Question Period, to briefly look at Citations 335 and 336 of Beauchesne which, under the heading, Sub Judice Convention, states:

> Members are expected to refrain from discussing matters that are before the courts or tribunals which are courts of record. The purpose of this sub juice convention is to protect the parties in a case awaiting or undergoing trial and persons who stand to be affected by the outcome of a judicial inquiry. It is a voluntary restraint imposed by the House upon itself in the interest of justice and fair play.

Section 336(1) states:

> The sub judice convention has been applied consistently in criminal cases.

Citation 336(2) says:

> The precedents in criminal cases are consistent in preventing reference to court cases before a judgment is rendered; however, the convention ceases to apply after the judgment is given.

It goes on to say:

> Nevertheless, the convention is applied again when an appeal is launched.

• (1520)

Reference has been made by my friend from York Centre to "the question of higher values", I believe he said. I say to the House, to my honourable friends who have argued this, that there can be no higher value at this time when the case is before the courts as we speak than the right of the individual who is being charged, and all those involved in the trial, to a fair trial. I do not think that we can in any way suggest that this very important convention be waived at this time because we have no way of knowing how anything said by anyone, either the questioner or the person being questioned, may affect the outcome of that trial.

I appreciate that the government is here to be held accountable, and we do not shirk from that. I appreciate it is the job of the members opposite to hold the government accountable. But I believe it is for the courts to decide what weight should be given to any evidence and any comments. Testimony, after all, before the courts, in any case, is sworn testimony. There will be a time and there will be a day when this matter can be pursued and at that time it may very well be that my hon. friends will find that that is the issue of the day.

The issue of the day for the defendants and the witnesses, all those involved in a trial, is the trial before the court at this time. I am sorry, I stand to be corrected, but to me the ability of a person to have a fair trial supersedes the right of any member of this House to endanger, within or outside the walls of this House, that fair trial.

I would submit to you that the rule has grown up under those circumstances. I think it is a very fair rule. I do not think that we should in any way tamper with it at this time because the right of an individual to a fair trial

before the courts and not to have it affected by things said in this House is to me and to the government paramount.

Hon. Herb Gray (Windsor West): Mr. Speaker, the Minister of Justice has read into the record Citation 335 of Beauchesne which says:

> Members are expected to refrain from discussing matters that are before the courts or tribunals which are courts of record. The purpose of this sub judice convention is to protect the parties in a case awaiting or undergoing trial and persons who stand to be affected by the outcome of a judicial inquiry.

I think we should ask what is the fundamental purpose of this convention? The citation gives us the answer. It is to protect the parties to the proceeding. We are dealing here with a criminal proceeding. Who are the parties in a criminal proceeding? Certainly, there is a party in the person of the accused, but is there another party in the person of the Crown. Certainly in the British and Canadian system of justice there is the convention that the Crown never wins and the Crown never loses. The duty of the Crown is to put forward before the court all the evidence that is relevant to the case.

So I submit, Mr. Speaker, that in reality in a criminal proceeding there is essentially only one party, and that is the accused. And if that is the case, then I submit that the kinds of questions intended to be asked by the member for York Centre could not, and were not intended, to prejudice in any way the ability of the accused in the case in question to get a fair trial. Instead they related directly to the administration of justice, to the responsibility of the government in that important area of government activity, in particular, the relationships between the relevant ministers, their senior advisers and the RCMP.

Now, if that is the case, then I submit that the questions intended to be asked by the member for York Centre were not the kinds of things intended to be covered by the precedent read into the record by the Minister of Justice because they were not intended to, in any way, affect the party to a criminal proceeding, namely, the accused. They are not intended, in any way, to prejudice, to in any way harm the ability of the accused to have a fair trial.

So I ask you, Sir, to make a distinction in applying the *sub judice* convention in criminal matters with respect to whether or not the questions relate to the accused, the conduct of the accused and so on, or whether they relate to collateral matters of the kind intended to be raised by the member for York Centre. I say to you if the latter is the case then the questions that the member for York Centre intended to ask certainly should be ruled in order.

Certainly there is no disagreement on either side of the House that questions should not be allowed that would prejudice the ability of the accused in a criminal case to get a fair trial. But, if it could be found that questions were not intended for that purpose and would not have that purpose, then I submit they should be permitted.

I respectfully submit that if the intention of the convention with respect to *sub judice* is to protect the accused, then there are certainly grounds for you to accept the questions intended to be asked by the member for York Centre and make the kind of distinction that I have placed in argument before you. I submit, therefore, that even accepting the various rulings on this matter as summarized by the citation in Beauchesne, it is certainly open to you to exercise your discretion and accept the questions which the member for York Centre wishes to ask about this very important matter.

Mr. Rod Murphy (Churchill): Mr. Speaker, I would like to speak on this matter. It was my intention in Question Period also to ask questions on this matter.

If I can refer to another place and another time, I was the vice chairperson of the Manitoba Police Commission in the seventies. We recognized that we had to make a distinction between matters that were before the courts and our obligations to investigate the actions, decision-making and policies of the various police forces in the province of Manitoba. Even when a matter was before the court, we decided that we could look into the actions of the police forces in the province of Manitoba.

I would submit to you, Mr. Speaker, that we are in exactly that same situation today. As my colleagues in the opposition and my Leader, the hon. member for Oshawa, have indicated, we are not looking at the specifics of the court case in regard to Mr. Small. What

we want to ask questions about are the decision-making processes within the RCMP, and whether or not there was political interference with relation to that.

• (1530)

In addition, the line of questions that we had today, if we were allowed to pursue them, dealt with the answers that members of cabinet gave to this House. Again, I believe that that is the proper role of this House. We must have the ability to confront the contradictory statements made by ministers in this House. We must have the ability in a democracy to make ministers responsible to this House.

We also have to be in a position to be able to ask questions with regard to whether or not the RCMP is making its decision whether or not to charge an individual based on "the intention of pleasing elected officials". That is something completely separate from the court case. I believe that we must have that ability. We must be able to ask those questions, otherwise justice will not be served.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): I want to take a couple of moments to comment on this question of privilege before you, Mr. Speaker, because it is an important one.

Obviously, if we look back in parliamentary tradition and history, we can see that this issue is one that has been before all Commonwealth Parliaments. It is one that has always presented some difficulty for the Chair and for the House.

The reason for that is that we are dealing with an issue that goes to the fundamental rights and justice process that we want exercised in this country and in other countries as well. It has always been a very difficult issue.

If you look at the quotations in Beauchesne's that have already been referred to it would seem to be fairly straightforward, but we know by looking at precedents that there is always some discussion and debate around this issue.

If you go to Erskine May you find there are a lot of different ways in which the *sub judice* questions are looked at. There are some real distinctions made through there. At page 378 of Erskine May there are references stating that Parliament must always be allowed to proceed on legislation.

Therefore Parliament should be able to legislate on an issue that is before the courts. Otherwise, Parliament's hands would be tied by any issues that may be before the courts, and Parliament would not be able to act. Therefore Erskine May argues that in fact the *sub judice* provisions should not apply to legislation before the House.

It states the same sort of thing at page 429 of Erskine May as well.

One of the things that seems to come out quite regularly, if a person starts to read up on this subject, is that there are clear distinctions made concerning issues that are the subject of legislation, issues that are the subject of a civil court action, and issues that are part of a criminal court action. What we are dealing with here today is an issue that is before a criminal court.

I refer to page 214 of *The Parliamentarian*. It is an article by Philip Laundy who has long served this House and who recently took some time to work on a book which was recently published. At page 214 of that particular issue it states: "On the following day the Speaker ruled that no restriction ought to exist on the right of any member to put questions respecting any matter before the courts, particularly those relating to a civil matter unless and until that matter is at trial".

There is a distinct difference drawn in much of the discussion on this subject between an issue that is before the courts in the process of trial and an issue that is not in the courts in the process of trial. I would argue that in this case we have, first, a criminal case which is very much delineated in the various arguments on this issue. It is also before the courts at the moment and therefore comes under the jurisdiction of this particular *sub judice* convention.

I listened carefully to the arguments of the members who have spoken in favour of allowing those questions. As I look back to them the hon. member for York Centre said that the questions he wants to address are questions, not material to the court case, but rather material to the House and to the ministers.

The leader of the NDP argued much the same thing, saying that the real question they want to get at in the House of Commons is the question of whether or not there was political interference but not wanting in any

way to prejudice the right of the accused to a fair and unbiased trial.

The House leader of the Liberal party made very similar arguments, that it would not affect the accused and that the purpose of the *sub judice* convention was to protect the accused.

I think in looking at that we have to take a couple of tracks. We first of all have to look at the rules and conventions that apply.

First, this is a case in a criminal court that is on trial at the moment. Therefore it receives very special attention in both Erskine May and Beauchesne's.

Second, it is criminal; it is not civil.

Third, we have to ask ourselves: Would these questions in any way impact on the trial before this court? I would like to argue that in fact it would. What is going to be happening through these questions is: in essence we will be questioning the integrity, honesty and veracity of the statements of a witness before this court. What could be more germane? What could have more impact on a trial than to have the credibility of a witness before a trial questioned?

This I believe would prejudice that trial and would have an impact on that trial in some way that would result in making a difference to that court case.

I would argue, as the government House leader has said, that the questions themselves are important, not ones that we as the government want to shirk away from in any way. But we do not want to be seen in any way influencing or having an impact on a criminal trial that is presently in process before a court. We believe that the answers to these questions were they to be put before this House would well impact on the credibility of a witness, would well impact possibly on that trial, and could make a significant difference.

We would argue, as has been argued previously, that the *sub judice* convention should apply here. We would be quite happy to deal with these questions because they are in some sense of a philosophical nature, as was described by the member for Churchill. We are prepared to deal with those questions at a time when they would not in any way impact on a criminal trial that is presently under way.

Mr. Speaker: I have listened very carefully to arguments which arise from a question that was put by the hon. member for York Centre during Question Period. Those who were in the chamber at that time and those who were watching will remember that I intervened reading certain procedural precedents which set out the general rule that there should not be reference in this chamber to criminal proceedings that are in process, as is the case in this particular matter.

I think it was appropriate—and I hope members will agree—to adjourn the matter until now. I have now listened to argument from a number of members and from both sides of the House.

Hon. members on both sides have said that this is a serious matter and does create difficulty, not just for Speakers but for the chamber.

I am going to ask the hon. member for York Centre if as quickly as he can he would bring to my chambers, perhaps later on today but certainly not later than tomorrow morning, a complete transcript of this morning's proceedings in the court room, or at least a transcript that covers on both sides the particular statement to which the hon. member for York Centre referred.

I will examine the precedents and the rulings of other Speakers very carefully. I shall report back to the House at the very earliest convenience.

• (1540)

Mr. Cooper: Mr. Speaker, may I just ask a question for a point of clarification. I am wondering if the documents that you have asked for from the member for York Centre will have a bearing on your ruling. I am wondering if we on this side of the House may not also have access to those documents and possibly a chance to make some arguments if it is necessary.

Mr. Speaker: The documents I am referring to would be the transcript of evidence in the criminal proceedings today. It is an open court proceeding and is available to any citizen. I am sure that hon. members can arrange to get me a copy. I would expect the hon. member for York Centre, of course, to supply his friends on the other side with a copy.

Mr. Kaplan: Mr. Speaker, we tend to be spoiled in this House by the immediacy with which transcripts are available. I know in court cases where I have been counsel it is difficult to have transcripts for the next day, but I will do my best and furnish the House with whatever I can by tomorrow morning.

Mr. Speaker: I recognize that there can be difficulties. It might be appropriate if the hon. member for York Centre could extend my compliments to the court reporters and ask if they would give the Speaker of the House of Commons some assistance in this case.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, be read the third time and passed; and the amendment of Mr. Volpe (p. 5571).

Mr. Speaker: When the House rose at one o'clock the hon. member for Nunatsiaq had the floor. He has six minutes remaining, plus five minutes for questions and comments.

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, statistics obtained from the Canada Employment Centre in Yellowknife by the federation suggested that 15 per cent of all UI claimants in the north had fewer than 20 weeks of insurable employment. Most northern claimants with fewer than 20 weeks of insurable employment were located in the predominantly aboriginal communities of the Northwest Territories.

Construction, a seasonal activity, is negatively affected. In the north construction is a very compressed season. Construction workers make up the single largest occupation group collecting unemployment insurance in the Northwest Territories. Close to 25 per cent of all the UI claimants are construction workers.

The change which increases the penalty for voluntary job leavers is going to penalize unfairly many people who are forced to leave jobs for family reasons that are beyond their control.

Many people in the north who are eligible for unemployment insurance benefits do not receive them. This is certainly true for many Inuit in the eastern Arctic. People do not even bother to apply because the forms are complex; they are written only in English or French; mail service is poor; and the system is difficult to understand. Inuktitut is the majority language in the central and eastern Arctic, but the forms are not available in that language. Many women working in arts and crafts, the carvers, and the hunters and trappers generally do not get on the unemployment insurance rolls.

Northerners, particularly in my constituency, also do not have access to the full service employment centres that southern Canadians take for granted. The Kitikmeot region, for example, has no Canada Employment and Immigration officer. At the recent fall general meeting of the Kitikmeot regional council, a resolution was passed requesting such a position. The resolution states that the Kitikmeot regional council requires this position to assist in the development of training and employment opportunities and to enhance the region's capabilities of getting resources allocated to these programs. I urge the government to respond positively to this resolution.

As I mentioned earlier, unemployment rates vary throughout the Northwest Territories, reflecting the fact that there are two economies within the Northwest Territories. In the more developed economies the wage economy is established and the rates of unemployment are relatively low. Yellowknife, for example, has an unemployment rate of about 5 per cent.

In the underdeveloped economies the situation is vastly and tragically different. These are the mainly aboriginal communities, some 46 of them, the smaller and more isolated ones. In the communities unemployment rates are high. They can be as much as 50 per cent or higher.

Half of the population of the Northwest Territories lives in these underdeveloped communities. Every year more than 500 young people reach the labour force age.

In the winter of 1989 the aboriginal unemployment rate was six times higher than the non-aboriginal rate. Unemployment was highest for young people aged 15 to 24. Regionally youth unemployment was 49 per cent in the Kitikmeot region, 34 per cent in the Baffin, 31 per cent in the Keewatin region, 28 per cent in the Inuvik, and 20 per cent in the Fort Smith region. These unemployment rates are staggering. They would never be permitted to go as high in southern Canada, yet they are

a reality in the north and have been for some time. The government does not seem to be concerned at all.

The northern economy is not producing enough jobs to meet the demands of the number of people entering the wage economy. Communities do not have a base for employment.

In the underdeveloped communities education and skill levels are low and correspondingly so are average incomes. The dilemma facing aboriginal people in these communities, however, is that even if education and skill levels were developed higher, there is a lack of viable employment opportunities in their communities. We need economic development. We need more and better education, more and better training, educational training that is appropriate for the north, and training that supports the mixed economies of the underdeveloped communities that still rely a great deal on the traditional hunting and trapping activities.

Programs developed in the south by southerners most often do not work in the north. This view was recently echoed in the report last month of the Special Committee on the Northern Economy, a committee of the legislative assembly for the Northwest Territories. As this report points out, the north needs programs and policies that are tailor–made to the north's unique requirements. Many federal programs and transfer agreements do not respond to northern needs, either because they are poorly targeted, designed for other areas of the country and then adapted to the north, or because they contain too many strings.

The report states that in terms of economic development these federal programs and transfer agreements are often counterproductive. The report recommends that the federal transfer agreements and the programs be reviewed so that they support rather than work against economic development initiatives.

Canada employment programs are included on the list of programs requiring review. All adult education and training programs are recommended for review. A major restructuring is required.

Rather than finding ways to remove northerners from the unemployment insurance rolls, the government should be directing its efforts toward increasing employment opportunities and economic development in the north. Assistance in alleviating the northern housing crisis and providing more affordable day care would go a long way toward assisting people who are willing to work but cannot because of circumstances beyond their control.

Unemployment insurance is an important income support for many communities in the north. It puts food on the table. It helps people buy the equipment and supplies they need to hunt, trap, and fish which supplement their wages and provides additional food for their families.

In conclusion, the changes to the unemployment insurance system contained in this bill will force more people on to welfare and social assistance. The territorial and provincial governments will have this additional burden. The territorial government will have to absorb this burden at a time when the federal government is threatening to reduce the formula funding to the territorial government.

We have no assurance that significant training dollars will go to the north. It is very possible that the dollars saved by the government in reducing our northern workers' benefit entitlement period will be used to train southern workers who will subsequently come north to work.

This bill hurts the north and northern workers. For this reason I oppose it.

Mr. Peter L. McCreath (South Shore): Mr. Speaker, it is a pleasure to have an opportunity to stand and speak on third reading of this bill, a debate that seems to have been going on now for several months.

It is my view that Bill C–21 and the new approach to unemployment insurance that is part of this bill are going to be good for Canada. They are going to be good for Nova Scotia. In my opinion they are going to be good for the people of the South Shore whom I have the honour to represent in this House.

I find it amazing and have found it amazing during the short year that I have been a member of this House how there seems to be an approach frequently taken that if an idea emanates from the government in the opinion of those opposite it is automatically deemed to be a bad idea and an unacceptable one. I never understand why we cannot have a more constructive approach, not only to legislation but to the government of this country.

• (1550)

It seems that when a measure is brought forward that is the result of many years of study and deliberation, a measure that is long overdue in terms of updating Canada's unemployment insurance system, we hear nothing but doom and gloom and negativism from members on the other side or specious arguments such as the one I heard this morning from my hon. friend for Surrey North who said that this bill represents nothing but an attempt to harmonize Canada's unemployment insurance system with that of the United States. Of course that is nothing but balderdash and nonsense inasmuch as our systems are totally different and we in this country or at least on this side of the House believe it is the job of government to design, plan and implement programs that are in the interests of Canadians. That is what I believe this bill does.

I support this bill because I believe that what it does is move our system toward the 21st century in providing an active rather than a passive approach to unemployment. Our goal is to prepare people for jobs, to assist them in finding those jobs, and to make sure that those jobs exist when people are seeking them.

I must say that although job creation directly is not the purpose of Bill C–21, it is something that this government has a most enviable record at, having created over a million and a half jobs during the five years that we have been in power. We can look backward or we can suggest, as seems to be the aspirations of members opposite, that we should have a system that pays people to sit home. I do not think that is what Canadians want. It is certainly not what people in my part of Nova Scotia want.

What people in our area want is an opportunity to have meaningful, full-time employment that will not only provide them with the resources they need, the money they need to support their families and to maintain their lifestyle but which indeed will give them some personal satisfaction as well.

An unemployment insurance system is—and I think it is very well recognized in this bill—a safety net for people who find themselves in a circumstance of unemployment. Perhaps it is a temporary thing. Perhaps it is because we have a changing economy and a changing society and people have to be prepared to cope with the implications of those changes.

Change, after all, is a part of history. Change has been with us forever and will to be with us forever. What we need is the courage to face the challenge that comes with that change. I think this bill, in seeking to maintain that safety net while at the same time discouraging use of the funds by those who do not necessarily need it, is unquestionably a step in the right direction.

We are all aware of the economic and fiscal difficulties faced by the country and by the government. People say every day that the place to start in bringing down the deficit is for the government to restrain its own expenditures. One way the government can do that is by making sure that we use those funds, that we do that efficiently, effectively, and to the benefit of Canadians. That is one of the purposes of this bill which is a part of the economic program of the government.

I want to speak briefly in the time that remains on what I see as the impact of this legislation for the people of the South Shore of Nova Scotia. First and foremost I think they will benefit because of the additional funding that is going to be made available through programs of the Canadian Jobs Strategy.

We were delighted last Thursday when the Minister of Employment and Immigration announced that she had designated Shelburne County, Nova Scotia for a Community Futures Program. There have been people working in that area on the consultative committee in Shelburne to bring this day to fruition. Of course the victory that is represented by that designation is theirs as much as it is the minister's, but it is to the minister's credit that she recognized that need and responded to it.

One of the reasons that she is able to respond positively to that, as well as to the request for Inverness and Richmond counties in Nova Scotia for a Community Futures Program, is that the funding is going to be available to enhance community futures. That is one of the direct benefits that is resulting from this bill. Similarly, additional funding will go into the industrial adjustment service from which we on the South Shore have benefited so significantly through programs now being put in place in Port Mouton and in Lockeport.

I might say that I have found during my short stint as a member of Parliament to date that nothing serves the people better than a good working relationship between members of Parliament and public servants working in their area. We are extremely fortunate in the South Shore of Nova Scotia in that we have a man like Jim

Brown heading up our CEIC office in Bridgewater who is now working to put together very effective industrial adjustment service programs which benefit our people. I deem it an honour and a privilege to work with people like Jim Brown. The result is to the benefit of the people in our area.

Second, I want to say that I am very pleased that this bill recognizes the unique situation of fishermen and preserves fishermen's benefits as they exist. I think that quite often people do not understand why fishermen are treated differently. Fishermen are the only self-employed individuals who participate in the unemployment insurance plan. It is because their resource is managed directly by government. It is the only resource that is, and fishermen find themselves from time to time having the fishery closed. They are not allowed to go to work as a direct result of a government decision. As a consequence since 1957 government has recognized this and fishermen have been participants within the plan.

People have often asked: "Why can't plant workers be a part of that as well?" After all, the employment opportunities of plant workers are directly related to whether or not the fishery is in operation. Of course, plant workers are employees; they are not self-employed. Therefore to open the door of opportunity to plant workers not to participate in the plan in the same way as all other employed workers in Canada would be inconsistent with the unemployment insurance system. Under Section 15(1) of the Charter it would open the door for all employed Canadians to want to be participants in the same way. Fishermen are in a unique circumstance and have to be recognized in that way.

Plant workers and other seasonal workers in the South Shore will also benefit from this bill. There is some concern that the increased entrance requirements may negatively impact people working in the fishing industry. This will not be the case in the South Shore because given the unemployment rates in our area there will be an increased entrance requirement of six weeks throughout the area.

The repeater clause is being removed. For members who may not be aware of it the repeater clause states that if you have drawn in the last year you have a penalty of six weeks applied to you should you wish to enter another claim. In fact we end up with a circumstance whereby although the entrance requirement is increased by six weeks, the six weeks is then taken away again by the removal of the repeater clause that would have put an additional six weeks in. The net result ends up being the same.

We will also benefit from the announcement the minister made last Friday with respect to the $3 million being made available under the job creation fund to assist Atlantic Canadians who are being impacted by the current fisheries downturn. In Nova Scotia, $400,000 of that fund is being targeted for our province.

Indeed should plant workers in our area find that they are caught by the downturn, those funds will be made available as they have in previous years in Newfoundland and New Brunswick. We very much welcome that announcement and thank the minister for it. I am sure that should those funds not prove to be satisfactory we can again look to the minister to recognize our need, as she has done so well to date.

In conclusion, I would just like to say that I think Bill C-21 is a long overdue step in the right direction of overhauling our unemployment insurance. I think all Canadians will ultimately benefit, particularly if we look at the change within the context of other excellent work being done by the government in terms of the growth of our economy and fiscal restraint. I believe Canadians will benefit. I believe Nova Scotians will benefit. I encourage all members of the House to support this excellent measure.

Mr. Doug Fee (Red Deer): Mr. Speaker, it is my privilege to add my comments to the debate on Bill C-21. This bill has demanded an awful lot of attention and an awful lot of time by members in this House and by various groups and individual Canadians across the country.

Our committee travelled across Canada visiting all 10 provinces, listening to groups and to individual Canadians. The input we received was good. As has been pointed out, it was not always complimentary to the government and not all people agreed with us.

Something that I felt was very, very positive was the input by members opposite, members of our committee and the groups that did make presentations. I felt that all of us on the committee benefited. We all learned. We were all challenged to think about our positions, and I think we all came out of it richer for the experience. There was a common element in every presentation we received in all of the debate. All presenters wanted the same thing. They wanted what is best for the Canadian people. We perhaps disagree as to how we can best

achieve what is best, but we all have the interests of the Canadian people at heart.

We heard from many groups coast to coast. A personal disappointment I had was that we had very few representations from individuals. The reason I found this disappointing was that we had statistics and projections based on those statistics.

• (1600)

We had those projections done nationally, provincially, and regionally. But for the person who, through no fault of their own is unemployed, statistics are meaningless, for the individual unemployment means 100 per cent and the projections do not mean a thing.

The basis of all productivity in Canada is the individual Canadian. Our people are the most valuable resources that we have available to us. The changes represented in this bill are, in my opinion, part of a nation-wide drive that is going to achieve a vital economic objective, better and wiser use of our human resources.

The drive for this improvement officially got under way last April with the announcement of outlines of the new Canadian labour force development strategy, a package of specific measures designed to make this country more competitive by improving our use of human skills and energy.

For some reason, Canadian business has not developed a climate of training that exists in many other industrialized countries. The Canadian labour market has simply not been putting enough effort into its own human resource development. In that sense, this strategy amounts to a war against waste, and to help win that war we are mobilizing, through Bill C-21, the potential of our unemployment insurance program to be a positive tool for training and for skill development.

Waste is happening at just about every stage in our labour market, starting with the job entry level itself. An unacceptable percentage of young Canadians lack the basic skills they need to fulfil their first jobs. The average high school dropout rate across this nation is 30 per cent, an unacceptable level. All this is on the eve of the 1990s, a decade in which every forecast tells us that most new jobs will require a minimum of 12 years of education.

Education and training issues are of course very complex. They are involving provincial jurisdictions and regional labour market needs and fast-changing skills. Ten years ago, who would have thought how important computer skills would be in a modern office.

The federal government is not solely responsible for developing a highly skilled and educated workforce. What we can do is to act as a facilitator. Through the labour force development strategy we have established a co-operative framework that will involve educators, the provinces, unions, employers, and individual Canadians as never before.

Under this strategy, we are putting $100 million of additional funding into basic entry level training, above and beyond the $484.4 million that we are spending in that area today.

These and other measures, many with the private sector in the lead role, are geared to increasing our ability to compete globally. But we will never completely succeed as long as there are unemployed Canadians who can't find work because they lack the right skills.

Section 26 of the Unemployment Insurance Act presently allows us to train people who are out of work. Today we are spending some $350 million out of a total $13 billion budget in unemployment insurance in exercising that option. We are going to double that allotment to $700 million. Here too, the plan calls for direct involvement by business and labour as sponsors and as actual operators of training programs. We will support and facilitate their initiatives.

We are also putting another $150 million into programs for people who face special difficulties getting back into the work force, and people who are on social assistance. Although I resent the implication that 45 makes you an older worker, Mr. Speaker, there are measures for older workers. That is another fact that is coming up and is very important. Any program, any institutionalized practice which discourages a capable Canadian from working simply because of a birth date is wasteful and discriminatory. The unemployment insurance program does that right now. As soon as Canadians turn 65, regardless of their ability or their ambition, it is as if they drop through a trap door. They cannot

contribute and they cannot be covered. The proposed amendments will enable these older Canadians to remain eligible for unemployment insurance coverage as long as they choose to continue to work.

This and other measures proposed in Bill C–21 represent a new and intelligent application of this country's unemployment insurance system, an application that will give the system greater relevance and a long overdue developmental orientation. Let there be no doubt, unemployment insurance remains a vital stabilizing force in Canadian society. It will still be there when the mainstream of earnings is interrupted, helping individuals and communities ride out tough times. But it should now do more than pay someone not to work. It will also serve as a bridge back to employment and the creation of a more skilled workforce.

The problem with unemployment insurance in Canada is that it has almost become a disincentive to work, and has not done enough to help workers gain skills necessary to succeed. The features of the program which act as a disincentive to re-employment make the system far more costly than it needs to be. We are changing the system to correct these flaws and to unlock significant sums of money for more constructive use.

Unemployment insurance programs in every nation have a qualifying period, the number of weeks one must work in order to qualify for benefits. The Canadian qualifying period is dramatically shorter than that of West Germany, Japan, or most other industrialized countries. It now ranges from 10 to 14 weeks depending on the unemployment rate in the claimant's region. We are changing that to range from 10 to 20 weeks. As in the past, the actual rate that applies will depend on the employment conditions in the region in which the applicant lives. We are also reducing the duration of benefits in this bill. Again, it is not across the board, but in a pattern that is linked to the level of unemployment in each area.

Through Bill C–21 we also intend to change the way the system relates to people who quit their jobs voluntarily, without just cause, and with no other job to go to. I would like to be clear about the reasoning behind that. It is every Canadian's God-given right to tell the boss to go fly a kite on any day of the week. Perhaps that is an exaggeration. It is not a divine right, but it is certainly the right of any Canadian to exercise the option to work or not to work for whomever they want. Where the employee has a just cause for quitting that job he or she should have the ability to resort to unemployment insurance. Very few Canadians contributing to the unemployment insurance program would agree that they should pay for such a gesture where there is no just cause for quitting.

All members of our committee, and I am sure that all members of this House would agree that unsafe working conditions or sexual harassment are just cause. However, there are still others who have walked away without that cause. It is a small percentage, as has been pointed out, but it is still not a minor problem. Payments to people in this category are around the $1 billion level and climbing. Under the changes we propose, people in this category will henceforth face a delay in benefits of 7 to 12 weeks. We are stiffening the penalties for fraudulent use of the program. These changes are going to liberate about $1.3 billion which can be redeployed. This money will be used in constructive employment-oriented initiatives, initiatives which will involve all players in our labour market in a co-ordinated effort to mobilize and upgrade our human resources.

In the past, unemployment insurance has been compared to a web where claimants would get caught up, could not disentangle themselves and would become involved in a recurring cycle. I would like to suggest that UI is still going to provide an essential safety net for Canadians, but it will no longer be a web. The proposed changes to Bill C–21, in the context of the labour force development strategy, can go far beyond that. It can become a bridge to help individual Canadians and our labour market as a whole meet the competitive challenges that lie ahead. That is what we are proposing.

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, this bill is another blow to the people of Atlantic Canada, New Brunswick, and particularly to the people of my riding. The Mulroney government has already created a very negative economic situation in Canada and in our area.

The Mulroney policy of raising interest rates, according to most experts, is leading our country towards a recession. The raising of taxes lowers disposable income and makes it more difficult for people to make ends meet. The cutting of VIA Rail is a disaster by any judgment. The loss of jobs in a deal in which the Prime Minister was stripped of his pants by a laughing Ronald Reagan. The threat to transfer payments to the provinces, which the provinces have an absolute right to rely on. That is another broken social contract.

The government is making it increasingly difficult for the people of Canada and the people of Miramichi to find and hold jobs, and at the same time it is reducing the protection that the government of Canada has offered to them during times of unemployment.

• (1610)

This is totally insensitive, cruel, and a betrayal. The effect on many people from Miramichi, and elsewhere in Canada, is that their purchasing power becomes less and less. They are going to have a harder time to make ends meet, to get ahead in life, to buy a house, to rear their children, to fulfil their dreams. In fact, Mr. Speaker, this government seems intent on destroying as many dreams as possible.

The Mulroney government is now cutting $1.3 billion from the unemployment insurance program to reallocate about $800 million to training programs and another $500 million to correct some inequities that the courts advised the government to correct. But in the process, it is also getting out of the UI program and leaving it to the workers and the employers. This is very scary because it is probably going to lead to the end of the UI program, especially in view of the free trade context. There could be pressure put on companies to sacrifice their contributions to the social contract that we have always had in this country.

The big argument that we heard from the government in favour of this savage bill is that it wants to put people to work and this is the reason it is going to put more money into training programs. Once again the Prime Minister says one thing and does another. I want to make it clear, and everybody knows it anyway, that we Liberals have been pushing the government for more training, agree with the principle of training. We cannot agree, however, that the government should take money that has been allocated to the unemployment insurance scheme, a social contract, and unilaterally break that contract to divert the money to other programs.

The UI program is for the purpose of training. The money should come from somewhere else for this new program, because here the Mulroney government is in fact picking the pockets of those most in need in order to improve its training programs. It is wrong. The Mulroney government is choosing with this bill to unilaterally break this contract and direct this money somewhere else. If it were done by a private company or by an individual, it would be called fraud. The Mulroney government is actually ready to perpetrate fraud over the UI fund, a fraud of $800 million from the pockets of Canadian workers. We have grown accustomed to this type of behaviour from the government.

If people want to benefit from those training programs, most of them will have to move to big centres like Montreal, Toronto, Ottawa, or the Prime Minister's favourite country, the U.S.A. For some people this is just fine. They will be happy with that. For others, parents with young families, single mothers or fathers, older workers, people who represent the majority in this country, it will not be easy. This is not what Canada is about. Every region and everyone in this beautiful country love their region because that is where they make their living and is, in most case, where their roots are.

Not all people in Canada are obsessed with material possessions, money, and so–called power and glory, as the Prime Minister seems to be. Many people in my area have much higher values, and this is part of the reason why they chose to make their living in New Brunswick.

The government's obsession with materialism is in fact going to lead just about all Canadians to live in big centres and fight like crazy for the so–called competitive edge. In the end, if no one stops the government, it is going to destroy the country.

Those who will be affected by this legislation will have to eat, in many cases, they will need help from somewhere. The provincial governments have to pick up the shortfall from the folly of this federal government. Where is the money going to come from? It has to come from the same pockets of the same taxpayers as the federal government gets its money from. Therefore, this

government is simply shifting the burden from the national government to the individual provincial governments which are in no way equivalent to a federal government, do not have the resources, and the poorer the province, obviously the poorer the benefits the people are going to get.

The government has also devastated the benefits of fishermen and of other seasonal workers like lumbermen. There is no way that this can be called an equitable program because it is not based on equity. You have to understand, Mr. Speaker, that in a riding like mine, for instance, the main industries are seasonal. This is why we have an unemployment rate which is around 13 per cent officially. In reality, the unemployment rate is around 20 to 30 per cent in many communities, and this pertains all year round, but it goes as high as 40 and 50 per cent in the wintertime.

This is where the legislation does not make any sense. These people where real unemployment is so high will have to work longer periods to receive UI benefits. Where are they going to go to get that work? While the government thinks it is saving by gutting social programs, what it is actually doing is increasing costs of medical care, of lost production, of depression of the national spirit, and dissolving the will of people to fulfil their ambitions, to improve their lot, to make progress, and to contribute to the growth of the nation.

This country is rich in resources, both natural and human. This government has a great opportunity to develop these resources. Instead it is looking for ways and means to let others develop our country and its resources at the expense of our most precious resource, our people.

It is not too late for the government to take a different tack, to reorient itself to become a government of the people for the people and by the people. There is still time. There is still an opportunity to have this country achieve its full potential. Let us pursue that course rather than finding ways to turn back the hands of time to a bygone and discredited era of Toryism. We must vote against this very reactionary Tory bill.

The Acting Speaker (Mr. Paproski): On questions or comments, the Hon. Member for Northumberland.

Mrs. Stewart: Mr. Speaker, I was very interested in the comments of my colleague and the effects that this proposed bill that we are voting on today is going to have on his region of the country. I think everybody on this side of the House is extremely sympathetic to that. However, in fact it does affect every area of the country including my riding of Northumberland. I have had presentations made to me by many people and groups in the area.

I wanted to ask the member what his experience has been, because one of the groups that is particularly concerned in my riding is the municipal officials group. It is suggested, through statistics, that it is 2 per cent of the population that perhaps abuses the unemployment insurance system as it now exists.

Municipal officials in my riding are very concerned that the cuts proposed are going to raise the number of welfare cases in their municipalities by 50 per cent. For example, in Trenton, unemployment insurance now covers an average of 1,696 persons per year. That municipality feels it cannot support a 50 per cent rise in its welfare programs to pick up the slack from the unemployment cases.

Their other concern is that of the bulk of the recipients of unemployment insurance claims. Sixty–four per cent are in the 25 to 44 year age group, which is not the age group abusing the system. They are family people. They are people who very often live on wages below $25,000 a year. The disparity between men and women who will be affected in our area is as follows: 64 per cent are women versus 36 per cent male. I am wondering if the hon. member is hearing from municipal officials in his area on concerns about having to pick up the social safety net that the government is dumping on them through this bill.

• (1620)

Mr. Dionne: Mr. Speaker, I thank my colleague for the question. In the riding I represent we do not have any large cities. Large cities are generators of economic activity. The best we can do is two towns and a number of incorporated villages, and the rest of the riding is unincorporated area.

Those people who are going to be savaged by this government's attempt to rape the unemployment insurance scheme will find themselves in very dire straits when this bill is passed. The benefits are not going to be

there. Of course, it is a great canard that the majority of people on welfare rip off the system. They do not. If the government is serious about having honesty and integrity in the system, there are better ways to do it than to try to gut the system itself.

In answer to the hon. member's question, the municipalities will have much more difficulty in providing welfare payments to people who have run out of unemployment insurance. They will have much more expense in caring for people who are suffering from depression, attempted suicides and all the rest that goes with that kind of Tory government.

Hon. Herb Gray (Windsor West): Mr. Speaker, I feel that only a short time is left in the debate on third reading of this bill, but I really must rise and state my strong opposition, and that of the people of my community, to what this bill intends to do, and that is to seriously damage and undermine our unemployment insurance system.

The government says that there has been ample time to debate this measure. The facts are quite to the contrary. There were only three days of debate on second reading. Second reading debate was cut off by government-imposed closure. The committee hearings lasted only four weeks. It is interesting that of the groups appearing before the committee 157 of 202 groups totally opposed Bill C-21. Report stage lasted only two days, and only two days have been allowed for third reading. This is again because of government-forced closure on the proceedings of the House with respect to Bill C-21.

If the government really believed that this bill was a good bill, if it really believed this bill was good for Canada, it would not have acted in this heartless and peremptory way to close off debate. The government is really trying to make it hard for Canadians to have their say through Parliament about just what this bill will do to them. The more Canadians look at this bill, the more it is clear why so many of them think that it is wrong our country.

What does this bill do? Basically, it forces working men and women in this country to pay more for unemployment insurance, but at the same time to get less. The bill lengthens waiting periods, it cuts benefit periods, and because the government contribution is going to be withdrawn, it will mean that workers and employers for that matter are going to pay higher premiums.

Why is the government operating in this way? It may be that the government has the idea that people on unemployment insurance are not really in trouble, and that if they really tried harder they could find jobs. The facts I think are quite the opposite. The experience in my own community, and the experience across Canada, is that people are on unemployment insurance because they do not have any meaningful alternative. If the jobs were there, they would be glad to go to work to support themselves and their families.

There might be another explanation, and that is linked with the government's free trade agreement with the United States. It is very interesting how this measure would bring our unemployment insurance system closer to that which is in existence in so many parts of the United States. The government talked about harmonization, the government talked about a level playing field, but I do not think Canadians expected or intended that this free trade agreement would result in pulling Canadian working men and women down to the lowest common denominator, down to the lowest level of benefit that is found in a number of the American states.

The government may well be trying to head off in this measure what could be challenges through the U.S. Trade Commission, what could well be very tough negotiations under the subsidy provisions of the free trade agreement which remain to be discussed. Surely this government should not be giving in before the battle has even started. This government should be willing to stand up for basic social programs in this country. In spite of American pressure it should be willing to stand up for the meaningful parts of the social contract, the fabric of this country.

What will be the result of this measure going into law? If we look at my own community, we will see that large numbers of people, perhaps thousands, will not have the protection they need when the key industry, the auto industry, in my community of Windsor goes into what is bound to be some sort of cyclical decline. The auto industry has been doing rather well for the past several years, but there are already signs of a downturn in that industry and this has been the experience over the years. There are periods of prosperity, of upward movement in the industry with higher or at least stable employment. This is followed by periods of downturn, of lower sales of

automobiles, with resulting extensive layoffs of working men and women in my community and communities like it across this country.

The people who will be laid off when the auto industry goes into a downturn will not have any alternatives. It will not do the government any good to say there will be training programs available. There is no guarantee under this bill that there will be additional training programs available in my city of Windsor or any particular city, and no guarantee that people taking any added training programs will have jobs available to them as a result. In fact, in the city of Windsor, if the automobile industry and related industries are in a severe downturn, there simply are not any alternatives. Because of this cruel and heartless bill, when the auto industry enters into the downturn which many fear is very close, there will not be any alternative but food banks or municipal welfare. This will increase the burden on municipalities, provincial governments and the taxpayers who support them, basically all of us in this country. If this measure is in some way linked to the free trade agreement then certainly instead of using it to cut back benefits under the unemployment insurance program and lengthening periods required to be spent before qualifying for unemployment insurance, this bill should have provided what the Prime Minister promised. He promised a generous adjustment program for workers who would be losing their jobs because of the free trade agreement.

Not only does this measure contain nothing of the kind, it cuts back, undermines and takes away the kinds of benefits that we have already and which people will need increasingly as the negative effects of the government's free trade deal with the United States are felt in communities across this country, especially communities with some kind of industrial base.

The government through this bill has not only broken another promise in not providing a generous adjustment program, it has also broken its promise that it would not undermine but would instead strengthen basic social programs. Surely, Mr. Speaker, this is typical of what this government has done, especially since being returned to office last fall. It has brought forward a measure to claw back, to cut the old age pension and family allowance for large numbers of Canadians. This is something that I predict will affect even larger numbers in years to come. It will cut back our basic rail passenger transportation service in its measures to cut VIA Rail. Now it is bringing forward this measure to seriously undermine our unemployment insurance system.

Lurking on the horizon is the horrendous goods and services tax, that grief and suffering tax, which will make every one of us in this country pay more for just about everything we buy, whether it is manufactured goods or services. Here we see the glimmerings of a less than secret agenda to drastically change this country and to drastically undermine the basic social fabric which has made us proud to be Canadians. Until now, our country has been one where individual initiative has had its place, where the market system has had its place, but also we have had a basic foundation of measures like our unemployment insurance program to make sure that no matter what happens people have the basis for a decent existence for themselves and their families.

• (1630)

As I have said, the secret agenda is becoming more and more evident. The agenda of this Conservative government is one of callousness, heartlessness, it is one of less and less concern for working people in this country.

I call upon all members of this House to defeat this bill when it comes up for final third reading vote in a very few minutes. If this bill is not defeated, if the Conservative majority listens to the demands and orders of its leadership, then there is no doubt in my mind, Mr. Speaker, that the people of Canada will not forget what is being done to them through this secret Conservative agenda which is becoming more and more evident and this Conservative government will be soundly defeated in the next election. But until that time, if this bill passes, then hundreds of thousands of Canadians who will lose their unemployment insurance benefits or have them severely cut back will have to go through a period of totally unnecessary suffering for themselves and their families.

This is wrong, Mr. Speaker, and I call upon this House to defeat this bill.

Mr. Walker: Mr. Speaker, I would like to thank the hon. member who preceded me for his very impassioned plea that the government listen to this last minute effort to stop this piece of legislation which is going to be

harmful to so many Canadians and particularly the people in Winnipeg.

Would my colleague comment on a situation, for example, where the unemployment rate in Winnipeg now stands at 8.5 per cent, up from 7.9 per cent last year. Winnipeg is now fourth out of eleven major Canadian cities as far as this unfortunate statistic is concerned.

In rural and northern Manitoba unemployment rates are even higher. Unemployment rates run from 27 per cent in villages in the Interlake area of Manitoba to 90 per cent on reserves and northern communities. Thousands of people are not even counted in the government's figures because they are chronically unemployed or have never had an opportunity to get a job.

When I listen to the government side speak I am reminded of what John Kenneth Galbraith said about Ronald Reagan. Ronald Reagan's economic strategy was based on the fact that he thought the rich did not work because they pay too many taxes and the poor did not work because they made too much money, so he stopped taxing the rich and started taxing the poor.

This bill is a variation of this thesis. The government has taken the strategy that the way to improve the condition of working people across the country is to give them less security, less assistance and to put them up against the wall.

If you take a vulnerable economy, Manitoba's, where so many people are hurt, it is hard to believe that this government thinks this strategy is going to be helpful in any way, shape or form.

Does he think Manitoba is going to be spared this awful legislation, or will they be hurt like people in his part of the country?

Mr. Gray (Windsor West): Mr. Speaker, I will give a very brief reply because I am very interested in hearing what the hon. member for Carleton—Gloucester says about this matter.

I regret to say that the province of Manitoba and the city of Winnipeg in particular will not be spared the harmful effects of this very backward piece of legislation. It will be damaged just like the rest of the country and I hope the people of Manitoba will remember this when they next come to pass judgment on the Conservatives. Certainly if they remember it, and the effects of this legislation will be before them every day, then this government will not survive the next election.

[*Translation*]

Mr. Jacques Vien (Laurentides): Mr. Speaker, in 1984, the national unemployment rate was 11.6 per cent. In August 1989, unemployment had dropped to 7.4 per cent. Since 1984, this government has created 1,500,000 jobs. Ninety-six per cent or 1,300,000 were full-time jobs, while 200,000 were part-time jobs. Mr. Speaker, of these 1,500,000 jobs, 677,000 were filled by men and 878,000 by women.

Mr. Speaker, the new labour force development strategy involves reallocating $1.3 billion of the unemployment insurance budget to upgrading the labour force. A total of $1.8 billion will be allocated to the Canadian job strategy and training, to upgrade skill levels of workers across the country. In 1990, the government wants the labour force to be highly qualified in order to be competitive on international markets. In the past, our strength was derived from our natural resources, which were our only resource. Today, being competitive depends more on the skills of our workers.

Mr. Speaker, our competitors are improving productivity in the fields of technology, innovation, education and occupational training. Between 1990 and the year 2000, our workers will need a knowledge of and expertise in data processing, communications and robotics, as well as analytic skills. Canada's labour force must have the highest possible level of education. More Canadians are graduating from high school and more and more are becoming professionals. Unfortunately, an average of 30 per cent still drop out of high school.

Basic skills are a prerequisite for acquiring the most sophisticated professional skills. By the year 2000, 50 per cent of Canadian jobs will require more than five years of education and professional training beyond the secondary level. Every year, more than one million Canadians have trouble finding jobs because of their lack of skills.

Mr. Speaker, the government is committed to implementing a broad strategy to keep pace with developing markets in the 1990s. It intends to maintain the principal functions of our social security and income-support system. Mr. Speaker, the government intends to increase active measures to assist employment, as opposed to passive income maintenance. Changes in the unemploy-

ment insurance system's entrance criteria should also reduce work disincentives.

By 1994, the government intends to attract additional investment of $1.5 billion annually in training. It expects to reach that goal through private sector training and skills upgrading programs.

The labour force development strategy will be a catalyst for economic activity. An expanded community futures program and increased support for entrepreneurs and the Canadian job strategy are all factors that will help increase employment opportunities.

• (1640)

Of the $1.3 billion that will be reallocated, $500 million will be used to enhance unemployment insurance coverage for new parents and workers over 65, while $775 million will be spent on skills upgrading.

Mr. Speaker, the government has allocated $100 million to support training for newcomers to the labour force. These resources should help provide training for between 40,000 and 50,000 new arrivals on the labour market. Employers, especially small businesses, will be able to use this opportunity to meet their employment needs. Nearly 25 per cent of our businesses offer structured training. The private sector spends about $1.4 billion on this type of training. A recent survey by Statistics Canada revealed that 14 per cent of Canadian manufacturers were experiencing production problems because of a lack of skilled workers. The Canadian Manufacturers Association indicates that 36 per cent of its members are faced with a shortage of skilled labour, while the Canadian Federation of Independent Business has pointed out that 43 per cent of its members are unable to hire workers with the requisite skills.

In Canada, unemployment insurance benefits as a percentage of our gross domestic product are about 285 per cent of what they are in the United States. On the other hand, they are about 70 per cent below the level of spending on that item in Belgium. Since the scope of the Canadian system comes closer to that of the Belgian system, would it not be more accurate to say that we are harmonizing our unemployment system with the Belgian system, which is more generous?

As for harmonizing our system with the unemployment insurance system in the United States, that is out of the question, because the system would be far less generous and its overall impact would remain the same after the reform. Canada's unemployment insurance system is and will continue to be vastly superior to that of the United States. The changes proposed as part of the labour force development strategy constitute a policy that is made in Canada. It considers aspects that are typical of our country, including the seasonal nature of employment in certain regions.

Canada's unemployment insurance system is much broader and more comprehensive than the American system. The Canadian system provides income protection during maternity and sick leave. That is not the case under the American system. The Canadian system provides income protection for seasonal workers, which is not the case in the United States. The benefit period provided under the Canadian system is much longer than that provided in any American state.

Mr. Speaker, generally speaking, weekly benefits are higher in Canada than in the United States: 60 per cent of previous remuneration in Canada, as compared to 50 per cent in the United States. Extended benefits based on the regional unemployment rate are much higher in Canada than in the United States.

[*English*]

The Acting Speaker (Mr. Paproski): The hon. member's time has now expired. It being 4.45 o'clock p.m., pursuant to order made in accordance with the provisions of Standing Order 78(3) on Tuesday, October 24, 1989, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the third reading stage of the bill.

The question is on the amendment. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the amendment (Mr. Volpe) which was negatived on the following division:

(Division No. 123)

YEAS

Members

Allmand	Althouse
Anawak	Angus
Barrett	Bellemare
Benjamin	Berger
Bevilacqua	Black
Blackburn (Brant)	Boudria
Broadbent	Butland
Callbeck	Catterall
Crawford	Dingwall
Dionne	Duhamel
Fisher	Fontana
Foster	Gardiner
Gauthier	Gray (Windsor West)
Harb	Harvard
Harvey (Edmonton East)	Heap
Hovdebo	Hunter
Kaplan	Karpoff
Karygiannis	Kilger (Stormont—Dundas)
Kristiansen	Langan (Mission—Coquitlam)
Laporte	Lee
MacAulay	MacLellan
MacWilliam	Maheu
Manley	Marchi
McLaughlin	Mifflin
Mills	Mitchell
Murphy	Ouellet
Pagtakhan	Parent
Parker	Phinney
Proud	Prud'homme
Riis	Robinson
Rompkey	Stewart
Taylor	Tobin
Vanclief	Volpe
Waddell	Walker
Young (Gloucester)	Young (Beaches—Woodbine)—70

NAYS

Members

Andre	Beatty
Bernier	Bertrand
Bjornson	Blackburn (Jonquière)
Blais	Bourgault
Boyer	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Champagne (Champlain)
Chartrand	Clark (Brandon—Souris)
Cole	Collins
Cooper	Corbeil
Crosby (Halifax West)	Darling
de Cotret	Della Noce
Dick	Domm
Edwards	Epp
Fee	Ferland
Fontaine	Fretz
Friesen	Gérin
Gibeau	Greene
Gustafson	Halliday
Hawkes	Hicks
Hockin	Hogue
Holtmann	Horner
Horning	Hudon
Hughes	Jacques
James	Jelinek
Johnson	Kempling
Kilgour (Edmonton Southeast)	Koury
Landry	Layton
Leblanc (Longueuil)	Lewis
Littlechild	Loiselle
Lopez	MacDougall (Timiskaming)
Marin	Martin (Lincoln)
Mazankowski	McCreath
McDermid	McDougall (St. Paul's)
McKnight	Mitges
Monteith	Moore
Nicholson	Oberle
O'Kurley	Plourde
Porter	Reid
Reimer	Ricard
Robitaille	Roy-Arcelin
St-Julien	Schneider
Scott (Victoria—Haliburton)	Shields
Sparrow	Stevenson
Tardif	Tétreault
Thacker	Tremblay (Rosemont)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Valcourt	Van de Walle
Vankoughnet	Venne
Vézina	Vien
Vincent	Weiner
Wenman	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Worthy—110	Wilson (Etobicoke Centre)

• (1700)

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Mr. Gauthier: Mr. Speaker, as is the custom in this House, to save time I think you could apply the vote on the next question in the same way as it was taken on this one. Unless there have been additions, I think there will be no change.

The Acting Speaker (Mr. Paproski): The question is on the main motion. Shall I apply the results in reverse?

Mr. Hopkins: Mr. Speaker, I rise on a point of order. I would like to have my name added to those of the Opposition on the vote we have just discussed.

The Acting Speaker (Mr. Paproski): The hon. member for Renfrew—Nipissing—Pembroke will have his vote applied.

[*Translation*]

Mr. Guilbault: Mr. Speaker, on a point of order. I would like to have my name recorded on the government side, for the second division.

The Acting Speaker (Mr. Paproski): The next question is on the main motion.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 124*)

YEAS

Members

Andre
Bernier
Bjornson
Blais
Boyer
Browes
Campbell (Vancouver Centre)
Casey
Chartrand
Cole
Cooper
Crosby (Halifax West)
de Cotret
Dick
Edwards
Fee
Fontaine
Friesen
Gibeau
Guilbault
Halliday
Hicks
Hogue
Horner
Hudon
Jacques
Jelinek
Kempling
Koury
Layton
Lewis
Loiselle
MacDougall (Timiskaming)
Martin (Lincoln)
McCreath
McDougall (St. Paul's)
Mitges
Moore
Oberle
Plourde
Reid
Ricard
Roy-Arcelin
Schneider
Shields
Stevenson
Tétreault
Tremblay (Rosemont)
Turner (Halton—Peel)
Van de Walle
Venne
Vien
Weiner
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Beatty
Bertrand
Blackburn (Jonquière)
Bourgault
Brightwell
Cadieux
Cardiff
Champagne (Champlain)
Clark (Brandon—Souris)
Collins
Corbeil
Darling
Della Noce
Domm
Epp
Ferland
Fretz
Gérin
Greene
Gustafson
Hawkes
Hockin
Holtmann
Horning
Hughes
James
Johnson
Kilgour (Edmonton Southeast)
Landry
Leblanc (Longueuil)
Littlechild
Lopez
Marin
Mazankowski
McDermid
McKnight
Monteith
Nicholson
O'Kurley
Porter
Reimer
Robitaille
St-Julien
Scott (Victoria—Haliburton)
Sparrow
Tardif
Thacker
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vézina
Vincent
Wenman
Wilbee
Worthy—111

NAYS

Members

Allmand
Anawak
Barrett
Benjamin
Bevilacqua
Blackburn (Brant)
Broadbent
Callbeck
Crawford
Dionne
Fisher
Foster
Gauthier
Harb
Harvey (Edmonton East)
Hopkins
Hunter
Karpoff
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
Lee
MacLellan
Maheu
Marchi
Mifflin
Mitchell
Ouellet
Parent
Phinney
Prud'homme
Robinson
Stewart
Tobin
Volpe
Walker
Young (Beaches—Woodbine)—71
Althouse
Angus
Bellemare
Berger
Black
Boudria
Butland
Catterall
Dingwall
Duhamel
Fontana
Gardiner
Gray (Windsor West)
Harvard
Heap
Hovdebo
Kaplan
Karygiannis
Kristiansen
Laporte
MacAulay
MacWilliam
Manley
McLaughlin
Mills
Murphy
Pagtakhan
Parker
Proud
Riis
Rompkey
Taylor
Vanclief
Waddell
Young (Gloucester)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Motion agreed to, Bill read the third time and passed.

* * *

[*English*]

CANADIAN SPACE AGENCY

MEASURE TO ENACT

The House resumed from Friday, November 3, consideration of Bill C-16, an act to establish the Canadian Space Agency and to provide for other matters in relation to space, as reported (with amendments) from a legislative committee.

The Acting Speaker (Mr. Paproski): Pursuant to order made earlier this day, the House will now proceed to the taking of deferred divisions at report stage of Bill C-16, an act to establish the Canadian Space Agency and to provide for other matters in relation to space.

Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Accordingly the first question is on Motion No. 1.

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

(Division No. 125)

YEAS

Members

Allmand	Althouse
Anawak	Angus
Barrett	Bellemare
Benjamin	Berger
Bevilacqua	Black
Blackburn (Brant)	Boudria
Broadbent	Butland
Callbeck	Catterall
Crawford	Dingwall
Dionne	Duhamel
Fisher	Fontana
Foster	Gardiner
Gauthier	Gray (Windsor West)
Harb	Harvard
Harvey (Edmonton East)	Heap
Hopkins	Hovdebo
Hunter	Kaplan
Karpoff	Karygiannis
Kilger (Stormont—Dundas)	Kristiansen
Langan (Mission—Coquitlam)	Laporte
Lee	MacAulay
MacLellan	MacWilliam
Maheu	Manley
Marchi	McLaughlin
Mifflin	Mills
Mitchell	Murphy
Ouellet	Parent
Parker	Proud
Prud'homme	Riis
Robinson	Rompkey
Stewart	Taylor
Tobin	Vanclief
Volpe	Waddell
Walker	Young (Gloucester)
Young (Beaches—Woodbine)—69	

NAYS

Members

Andre	Beatty
Bernier	Bertrand
Bjornson	Blackburn (Jonquière)
Blais	Bourgault
Boyer	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Champagne (Champlain)
Chartrand	Clark (Brandon—Souris)
Cole	Collins
Cooper	Corbeil
Crosby (Halifax West)	Darling
de Cotret	Della Noce
Domm	Edwards
Epp	Fee
Ferland	Fontaine
Fretz	Friesen
Gérin	Gibeau
Greene	Guilbault
Gustafson	Halliday
Hawkes	Hicks
Hockin	Hogue
Holtmann	Horner
Horning	Hudon
Jacques	James
Jelinek	Johnson
Kempling	Kilgour (Edmonton Southeast)
Koury	Landry
Layton	Leblanc (Longueuil)
Lewis	Littlechild
Loiselle	Lopez
MacDougall (Timiskaming)	Marin
Martin (Lincoln)	Mazankowski
McCreath	McDermid
McDougall (St. Paul's)	McKnight
Mitges	Monteith
Moore	Nicholson
Oberle	O'Kurley
Plourde	Porter
Reid	Reimer
Ricard	Robitaille
Roy-Arcelin	St-Julien
Schneider	Scott (Victoria—Haliburton)
Shields	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Tremblay (Rosemont)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Valcourt
Van de Walle	Vankoughnet
Venne	Vézina
Vien	Vincent
Weiner	Wenman
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Worthy—109

The Acting Speaker (Mr. Paproski): I declare the motion lost.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I believe you will find there is unanimous consent for applying the results of this division to Motion No. 2 standing in the name of the Hon. Member for Ottawa West

The Acting Speaker (Mr. Paproski): Is it agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 2.

The House divided on the motion (Mrs. Catterall), which was negatived on the following division.

(Division No. 126)

YEAS

Members

Allmand	Althouse
Anawak	Angus
Barrett	Bellemare
Benjamin	Berger
Bevilacqua	Black
Blackburn (Brant)	Boudria
Broadbent	Butland
Callbeck	Catterall
Crawford	Dingwall
Dionne	Duhamel
Fisher	Fontana
Foster	Gardiner
Gauthier	Gray (Windsor West)
Harb	Harvard
Harvey (Edmonton East)	Heap
Hopkins	Hovdebo

Hunter	Kaplan
Karpoff	Karygiannis
Kilger (Stormont—Dundas)	Kristiansen
Langan (Mission—Coquitlam)	Laporte
Lee	MacAulay
MacLellan	MacWilliam
Maheu	Manley
Marchi	McLaughlin
Mifflin	Mills
Mitchell	Murphy
Ouellet	Parent
Parker	Proud
Prud'homme	Riis
Robinson	Rompkey
Stewart	Taylor
Tobin	Vanclief
Volpe	Waddell
Walker	Young (Gloucester)
Young (Beaches—Woodbine)—69	

NAYS

Members

Andre	Beatty
Bernier	Bertrand
Bjornson	Blackburn (Jonquière)
Blais	Bourgault
Boyer	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Champagne (Champlain)
Chartrand	Clark (Brandon—Souris)
Cole	Collins
Cooper	Corbeil
Crosby (Halifax West)	Darling
de Cotret	Della Noce
Domm	Edwards
Epp	Fee
Ferland	Fontaine
Fretz	Friesen
Gérin	Gibeau
Greene	Guilbault
Gustafson	Halliday
Hawkes	Hicks
Hockin	Hogue
Holtmann	Horner
Horning	Hudon
Jacques	James
Jelinek	Johnson
Kempling	Kilgour (Edmonton Southeast)
Koury	Landry
Layton	Leblanc (Longueuil)
Lewis	Littlechild
Loiselle	Lopez
MacDougall (Timiskaming)	Marin
Martin (Lincoln)	Mazankowski
McCreath	McDermid
McDougall (St. Paul's)	McKnight
Mitges	Monteith
Moore	Nicholson
Oberle	O'Kurley
Plourde	Porter
Reid	Reimer
Ricard	Robitaille
Roy-Arcelin	St-Julien
Schneider	Scott (Victoria—Haliburton)
Shields	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Tremblay (Rosemont)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Valcourt
Van de Walle	Vankoughnet
Venne	Vézina
Vien	Vincent
Weiner	Wenman
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Worthy—109

The Acting Speaker (Mr. Paproski): I declare the motion lost.

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology) moved that the bill, as amended, be concurred in.

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

Some Hon. Members: On division.

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Motion agreed to.

Mr. Andre moved that the bill be read the third time and passed.

Mr. Riis: Mr. Speaker, I am just seeking clarification. You are asking if we are now voting on third reading stage of this bill? If that is the case, you do not have unanimous consent.

The Acting Speaker (Mr. Paproski): At the next sitting of the House, then.

It being 5.25 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

THE SAFEGUARD LIFE ASSURANCE COMPANY

AN ACT TO AUTHORIZE CONTINUATION AS A CORPORATION UNDER THE LAWS OF THE PROVINCE OF QUEBEC

The House proceeded to the consideration of Bill S–5, an act to authorize the Safeguard Life Assurance Company to be continued as a corporation under the laws of the Province of Quebec, as reported (without amendment) from a legislative committee.

Mr. Gabriel Fontaine (Lévis) moved that the bill be concurred in.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Fontaine moved that the bill be read the third time and passed.

Motion agreed to, bill read the third time and passed.

The Acting Speaker (Mr. Paproski): It being 5.25 p.m., this House now stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 5.25 p.m.

HOUSE OF COMMONS

Tuesday, November 7, 1989

The House met at 11 a.m.

Prayers

[*English*]

PRIVILEGE

BUDGET LEAK—RCMP TESTIMONY

Mr. Speaker: I should advise the House that I have received, in appropriate form, a notice of an application on a question of privilege. The hon. member for Oshawa.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I rise to bring to the attention of the House the possibility, and I emphasize "the possibility", of a contempt of Parliament, which is an extremely serious matter as all members of the House would agree.

I am seeking a ruling from Your Honour as to whether or not a *prima facie* case can be made on this important subject. If so, I would be willing to move, at the end of my brief comments, the appropriate motion.

Your Honour, my concern arises from conflicting testimony. One set of testimony occurred before a court of law in this city yesterday. The other occurred before a committee of the House earlier this year.

Your Honour, on June 13 the Commissioner of the Royal Canadian Mounted Police, Mr. Norman Inkster, appeared before the Standing Committee on Justice and the Solicitor General. The bulk of the questions put to the Commissioner on that day concerned the investigation by the RCMP of the budget leak that took place in April of this year and the subsequent laying of charges against a number of individuals by the Royal Canadian Mounted Police.

Members of the Official Opposition and the New Democratic Party repeatedly asked the Commissioner about the possibility of political interference in that process. In reply to questions put by a New Democrat member of Parliament, the member for Victoria, the Commissioner of the RCMP said the following:

> The officer who investigated the case swore that he had reasonable and probable grounds to believe that a crime had been committed.

He went on to say:

> The atmosphere in which the investigation was conducted had no influence on the outcome of the investigation.

A third quote from a number of others that might be selected on the same subject, in reply to the member for Victoria the Commissioner stated:

> In all this investigation there has never been any political influence.

By the way, this evidence of Mr. Inkster was reported back to the House in a report on the Estimates for 1989-90. So it is a subject matter that has left the committee and is now before the House of Commons. Yesterday, in a court here in the city of Ottawa, Staff Sergeant Richard Jordan provided evidence that completely contradicted what Commissioner Inkster had to say. The court—

Mr. Speaker: I have allowed the hon. member to proceed and I think his point is made. It is not necessary for the Chair to go into what somebody did or did not say in the courtroom and I remind hon. members that that evidence may not even be concluded yet.

However, I have the point that the hon. member is making and I would ask him to continue his argument. He does not need to go into what was or was not said yesterday. The point that the hon. member is making is that both in the courtroom and as reported in the press there are statements which, at least allegedly, might be taken as contradictory to the statement which is on the public record, of course, made earlier by another member of the Royal Canadian Mounted Police to which the hon. member has referred. So I would ask the hon. member to conclude his remarks.

Mr. Broadbent: Of course I respect what you have had to say and I simply give one quote to make my point that there is a contradiction. Yesterday Staff Sergeant Richard Jordan stated:

> I did not lay these charges because I had formed the opinion that they were intended to please elected officials.

He said similar things that contradicted what Commissioner Inkster had to say. When he refused to lay such charges he was taken off the case.

My point, Your Honour, is this. Either there was a contempt of the court yesterday by Staff Sergeant Jordan, or there was contempt of Parliament earlier by Commissioner Inkster.

The very possibility of a contempt of Parliament is extremely serious, it does not need emphasis here in the House. Therefore, Your Honour, if you consider that I have a *prima facie* case I will move the appropriate motion to have this subject referred to the Standing Committee on Justice and Solicitor General.

• (1110)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, as I see this point of privilege by the hon. leader of the NDP, essentially we are up against the same issue we were up against yesterday and that is the question of *sub judice*.

We argued yesterday, and I do not want to go back through the Erskine May or the Beauchesne arguments because I think they are clearly on the record and I do not want to take the time of the House.

However, we have very serious concerns that in fact this whole issue is *sub judice* and will have an impact on the trial. I would like to take a couple of moments to read from a notice of motion which was to be filed on Monday, November 6, at ten o'clock. It is, of course, the motion calling for an order staying all proceedings against all of the accused in this matter.

The grounds of the motion are, and this is what I would like to refer to:

> 1. This proceeding is an abuse of the process of this court in that:
>
> (a) the charges against all of the accused have an improper motive in that the charge was laid and the proceedings continued in an attempt by the Executive to achieve political ends unrelated to the valid exercise of the criminal law power;

In fact then, one of the fundamental elements of the total basis of this trial is whether or not this trial was politically motivated or whether in fact it is a trial arising out of criminal actions. That is the very substance of this court case.

So I would argue that not only was the matter raised yesterday *sub judice*, and we await your ruling on that one, but that this reference as well to a committee hearing is also *sub judice* and any reference to that issue which reflects in any way on that trial in this House by way of debate, by way of a point of privilege, by way of a point of order, or by way of a question, would in fact be *sub judice*.

I want to argue in the strongest possible terms that we believe that this issue is *sub judice* and even to raise it in the guise of a question of privilege falls under the same guidelines.

We indicated yesterday that we have no political problem with answering those questions at an appropriate time. But we are very much concerned with in any way appearing to contribute to a mistrial in a case that is presently before a court in this particular province.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I admire the ingenuity of my friend from Oshawa in the argument that he has put forward. What I took from his submission is the tremendous importance that Parliament deal with the substantive and fundamental issues that were raised by the questions that I attempted to ask in the House yesterday.

I took it also to indicate the importance that some way be found through the voluntary restraint that we impose on ourselves in the form of the *sub judice* rule in cases like this where fundamental questions going to the root of the responsibility of the RCMP and of the government be dealt with. I understand the argument from the parliamentary secretary is that the question is really the same as that which was raised yesterday.

I make this intervention looking forward with anticipation to your ruling on the questions raised yesterday.

Hon. Herb Gray (Windsor West): Mr. Speaker, it is interesting that the spokesman for the government, the parliamentary secretary, says that we should not be mentioning the matter of the Small case in any way in this House and yet he reads out and puts on the record a motion that led to the testimony yesterday of Staff Sergeant Jordan. I suggest that the parliamentary secretary cannot have it both ways.

I want to go on to say that what is on the record in Parliament, and can certainly be referred to in this House, are the words of Commissioner Inkster to the committee.

If, rather than the staff sergeant's words being stated in court, they had been made in an interview to the press or a speech before an audience, then I doubt very much if the parliamentary secretary would be attempting to say that we cannot go into the implications of the his words in light of the testimony by Commissioner Inkster, apparently contradicting those words, before a parliamentary committee.

So, I ask you to consider, Sir, from the parliamentary perspective, which perspective deals with the words of Commissioner Inkster, why it should make any difference whether the words of the staff sergeant were stated in court rather than to a journalist or to a meeting or to somebody whom he ran into in the street. In all these cases the issue, I submit, arises with respect to whether what was said in a parliamentary committee gives rise to the issue of contempt of Parliament.

So, I respectfully suggest to you, Sir, that we want to be sensitive to the whole matter of *sub judice*. However I repeat briefly what I said yesterday, it is for the purpose of protecting the accused and ensuring the accused a fair trial. It should not be for the purpose of enabling the government in any way to escape its responsibilities.

So, I submit to you, Sir, that I think there could well be a basis for you to look favourably on the request which has been made to you. I do, however, want to say that while I think there is a basis for this, if you accept the request and rule that there is a *prima facie* case of privilege, our practice does require that the motion ask that the matter be sent to the Standing Committee on Elections and Privileges. But aside from that, I think that there is a basis for your accepting the request that there is a *prima facie* case of privilege. I respectfully make that submission.

Mr. Speaker: I think I have heard sufficient on this. I take it the hon. member for Oshawa is prepared to move the appropriate motion if I should decide that way.

There are two issues involved in this application. One of them, of course, is the general issue of *sub judice* to which the hon. parliamentary secretary has referred. The other is the issue of a situation which is taking place in a committee. Under all the circumstances, I will reserve and I will try to come back to the House and deal with both this issue and yesterday's issue at the same time.

ROUTINE PROCEEDINGS

[*English*]

UNEMPLOYMENT INSURANCE

COMPREHENSIVE REVIEW OF REGIONS

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I have the honour to table in the House of Commons, in both official languages, the report of the comprehensive review of the unemployment insurance regions.

* * *

ORDER IN COUNCIL

TABLING OF APPOINTMENTS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government. Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

AGRICULTURE

GROWING TOGETHER—A VISION FOR CANADA'S AGRI-FOOD INDUSTRY

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, on behalf of the Minister of Agriculture, I wish to table a document, in both official languages, entitled *Growing Together—A Vision for Canada's Agri-food Industry*.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both

official languages, the government's responses to several petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE—CONFIGURATION OF ECONOMIC REGIONS

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I am pleased to present today the new distribution of economic regions for the purposes of the unemployment insurance program, which will permit the Government to offer a fairer treatment to those who are without work.

In August 1988, as Minister of State for Employment and Immigration, I announced to Parliament that my Department would undertake a complete review of the economic regions used under the unemployment insurance program.

We must recall that the admissibility of a claimant is determined partially by the region in which he or she lives. The number of work weeks necessary to qualify as well as the duration of benefits depend on the unemployment rate of the individual's region of residence. From this, Mr. Speaker, comes the importance of defining economic boundaries that best reflect the unemployment rate in each region. Since the last revision twelve years ago, many changes have occurred within the Canadian labour market.

• (1120)

[*English*]

Allow me, Mr. Speaker, to briefly provide some background information, putting into perspective the reason for the new configuration of the economic regions. The essential goal we set for ourselves was based on the principle of equity that underlies our system of unemployment insurance benefits. The concept of regional differentiation introduced into the unemployment insurance program in 1971 recognized the fact that the various regions of the country did not all offer the same employment opportunities and stability. At that time the country was divided into 16 economic regions as used by Statistics Canada.

[*Translation*]

In 1977, the introduction of the variable eligibility requirement for extended benefits made the program more sensitive and fairer towards regions with varying degrees of unemployment. Because of this, boundary definitions became a determining factor in qualifying for unemployment insurance benefits.

In 1978, the number of regions increased to 48, with a revision of the system and a structural adjustment to the new realities of the country. Since then and especially since the last recession, the different regional economies have developed throughout the country. The regions defined in 1978 no longer fully meet the new socio–economic realites.

[*English*]

Labour markets change constantly depending on whether the number of key industries in a region is increasing or decreasing. They also undergo significant alterations as changes occur in population trends. We must take these fluctuations into account to deal fairly with the unemployed.

[*Translation*]

As the unemployment insurance program must closely match regional unemployment levels, it is important that the economic boundaries coincide with Canadian realities. We are talking about a fundamental question of justice and willingness to better serve our clientele. It is therefore essential that we define and set up the economic regions so as to reflect the regional variations affecting employment prospects.

Our Government wishes to promote equal opportunities, ensure a fair distribution of available resources and reach our clientele in an efficient manner no matter where they live in Canada. These are the principles that guided us in our study of the economic regions. We did not hesitate to do everything necessary for a serious, thorough study to reach our objectives.

Mr. Speaker, I can assure you that this study of the Canadian labour market is one of the most thorough and detailed since the 1960s. Certainly the task was complex. However, one type of geographic unit constitutes a distinct labour market: the large urban centre. Therefore, metropolitan census areas were separated from

rural regions in creating the new economic regions. Our methodology is based on this urban/rural distinction.

In accordance with the new configuration that I have the pleasure to present today, the 48 regions which have existed since 1978 will henceforth be replaced by 62 new regions: 26 metropolitan and 36 rural.

[*English*]

The new configuration is in keeping with the objectives that the government has set for itself. All areas of the country are now divided into a much more homogeneous labour market. With the labour market defined by the new economic regions, we will be able to evaluate more fairly the employment opportunities that exist for unemployment insurance recipients in their areas.

[*Translation*]

Since rural regions and large urban centres are distinct, the unemployment rates in rural areas will be less affected by the economic activity of their neighboring metropolitan areas. The financial impact on the Government will be neutral and may change as unemployment rates change. This redistribution of economic regions was not dictated by financial reasons but by a desire to implement a just and equitable system which makes possible a more dependable calculation of regional unemployment rates.

Mr. Speaker, these new regional boundaries will take effect next January, at the same time as the measures announced by our Government last April, currently contained in Bill C-21.

As the new eligibility requirements and the amount to which recipients are entitled will vary with each 1 per cent change in the unemployment rate, it is necessary to implement better evaluation methods.

[*English*]

The new economic regions demonstrate our government's desire to deal as fairly as possible with those who need to use the safety net of unemployment insurance.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my first reaction to the government's statement this morning is to question why this report was delayed until today, the day after we had the final vote on Bill C-21 dealing with unemployment insurance. As you know, we have been debating that bill for the last several weeks. The government imposed closure. The final vote was last night and today we get the report of the government on the new unemployment insurance regions.

In order to understand Bill C-21 these new regions were very important, essential to a full understanding of that bill, because the bill implements new eligibility requirements and new benefit periods which are based on the regions in which you live. Yet the government has delayed this report to the day after we passed the bill.

This is typical of the government, which tries to hide information from the public and from Parliament so that we cannot have a full discussion. It is bad enough that the government imposed closure at all stages. We had one full day and two half days of debate on a very complicated and important bill at second reading. The government imposed closure once again at report stage and third reading and we did not get all the information that related to the bill until the day after the bill was completed.

I want to point out that, as the minister said, the last update on unemployment insurance regions was in 1978. But since about 1985-86 members on this side have been asking for an update of regions with respect to unemployment insurance. In particular, my colleague from Westmorland—Kent in New Brunswick has been asking for new regions. What we have heard this morning will not improve the situation.

The government says that the purpose of these new regions is equity and justice for the unemployed. Well, that will not be accomplished by the new map that the minister gives us this morning and I will explain why. It will not be accomplished because we have large numbers of unemployed in regions with low unemployment rates and under Bill C-21 it will be even more difficult for unemployed individuals in those regions to qualify for unemployment insurance.

Let me give you an example. In Toronto the unemployment rate is 3.4 per cent. That is the lowest in the country. It is virtually full employment. But there are still 68,000 individuals unemployed in the Toronto metropolitan region. In Newfoundland the unemployment rate was 17 per cent but the total number of unemployed was 41,000. In Nova Scotia the rate was 10.3 per cent but the total number of unemployed was 43,000. So we note that in Toronto, although there is an unemployment rate of 3.4 per cent, there are almost double the number of unemployed that there are in Newfoundland or in Nova Scotia. Under Bill C-21, because of the unemployment rate in Toronto, an individual will have to work for 20 weeks to qualify for unemployment insurance. They will

have to wait for the maximum number of weeks to be qualified.

I point out that a report published this morning states that there are now 20,000 homeless people roaming the streets of Toronto and that 84,000 households depend on food banks. So the 3.4 per cent unemployment rate does not tell the whole story with respect to Toronto.

In Montreal the September unemployment rate was 8 per cent but there were 126,000 unemployed, which again goes way beyond the total number of unemployed in Newfoundland or in Nova Scotia. In Montreal, because of the unemployment rate, it will require 16 weeks of work to qualify while originally it had been ten weeks. In Vancouver the unemployment rate was 6.1 per cent in September but there were 51,000 unemployed.

• (1130)

To go back to Montreal, I raised this matter in the House in June when a report was published by the Montreal Commission for Economic Development. That commission pointed out that in 23 neighbourhoods in Montreal the unemployment rate was over 15 per cent, and in six neighbourhoods it was over 20 per cent. For example, the report pointed out that in Park Extension the unemployment rate was 21 per cent. In Plateau Mont Royal it was 18 per cent.

This new map which isolates the metropolitan regions so that they are hived off or separated from the rural regions may be a good thing for the rural region, but it does not answer the problem of equity. It does not answer the problem of justice because the new map has to be considered with the provisions of Bill C–21.

The minister in putting forward this map or this report this morning said that this is going to bring about equity and justice for the unemployed. I want to point out that in the last Parliament the Standing Committee on Labour, Employment and Immigration in considering this matter stated: "Your committee supports the principle that the same treatment should be afforded claimants in all regions. A common program would provide more equitable and more compassionate treatment of disadvantaged persons in lower unemployment regions whose individual circumstances are not reflected by the regional unemployment rate".

The committee recommended a common entrance requirement of 10 weeks no matter where you live in Canada because individuals are affected by unemployment, not regions. The unemployed person in Toronto, Montreal or Vancouver, even though the unemployment rate may be lower than in the rural area, is just as hard hit as the person in the rural area. It is unfair to make this even worse by this new map that the minister has put forward today.

I referred to the Standing Committee on Labour, Employment and Immigration which stated that all unemployed claimants should be treated the same, and that we should have one common standard for the whole country. I also refer to the Forget Commission, a royal commission set up by the government in the last Parliament.

What did Mr. Forget in his royal commission say? The commission said "that the current program is perceived by many to be unfair, illogical and at variance with the principles of social insurance and overly complex. Different criteria are applied and different benefits are provided to individuals who are in similar circumstances. The entrance requirements are complicated and there are different benefit phases". It goes on to say "that the practice of basing eligibility on the local unemployment rate is unfair since that rate is a poor indicator of job opportunities".

Because of all those things this new map of unemployment regions put forward this morning may help in some rural areas, but it is going to worsen the situation for unemployed in the metropolitan regions.

Another reason why the report tabled by the minister this morning is not acceptable is that the government, according to the recent report of the Auditor General, has cut back on the resources to Statistics Canada. As a result of those cut-backs reports on labour market statistics are now questionable or unreliable. I pointed out in a question that I raised in this House on October 26 following the Auditor General's report where the Auditor General had said that the sample sizes of the labour force survey have been reduced due to recent

budget cuts. Consequently, he said, the accuracy of the survey is now doubtful.

He pointed out that in 1986, 5,217 households were dropped from the survey. If you are going to cut back on the resources to Statistics Canada, how can Statistics Canada give us reliable and accurate information with respect to unemployment?

This report and this policy produced by the government this morning is not acceptable. It is more tinkering. It is more ad hockery. It is more of the politics of rhetoric. It is going to make it worse for the unemployed in the large cities of Canada.

We are going to ask that this report be referred to the Standing Committee on Labour, Employment and Immigration so that it can be considered in detail *vis-à-vis* the new Bill C-21 which went through this House.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, what we have just heard this morning is one of the major aftershocks of the earthquake that hit not just the unemployed people of Canada, but hit all Canadian citizens in April with the introduction of Bill C-21. Is it not amazing that when it is convenient for the government it can act in so much haste?

This is not a crucial part of Bill C-21, but an absolutely fundamental part. The changes to the boundaries affect what happens in Bill C-21 so fundamentally that all should have been part and parcel of the same thing. The citizens of Canada should have been able to assess what was happening to their lives, to their families, to their children, to their jobs and to their possibilities of income security at the same time as Bill C-21 was being considered.

There has been haste when it suits the government. There has been closure at every stage. For all intents and purposes there was closure on the length of time that the committee was able to travel. There was closure at report stage and at third reading. But there has been tardiness, again when it suits the government, in the introduction of these fundamental changes to what goes on in the regions, and fundamental changes to the boundaries. That is—to repeat myself, and it bears repeating—fundamentally part of Bill C-21. There was tardiness because, again, the government, as it did with the impact study, did not want the Canadian public to know what the changes were or how they would impact upon them once Bill C-21 was put into effect.

What this has done is to really put into question everything the government has done. By implication, by guilt through association, it has put into doubt what the opposition has done as well because we were not able to do our job properly on the basis of having insufficient information to go on. It has also put into question the work that a tremendous number of people put in over the summer preparing briefs to present to the committee.

This is just another addition to the vile, I suppose is the best word to describe it, actions of this government in relation to its actions toward the unemployed. Yet the words it is couched in are: "based on the principle of equality that underlines our system". Our system was not all that great before the introduction of Bill C-21, but it sure as the dickens is not anywhere as equitable now, never mind the boundary changes.

Another rather interesting statement in the release this morning is and I think it is a direct quote, but if not it is at least a paraphrase: "The regions defined in 1977-78 are no longer appropriate to Canada's current socioeconomic realities. Labour markets change constantly—" Something to that effect was said. Yet some of the underlying rationale of the changes which were incorporated in Bill C-21 are based, according to the government, on something that happened in 1977. That was when it was discovered that if the length of time was extended that people had to work in order to qualify that all of a sudden, magically, they found the time. The government said that it discovered that going through the history in 1977. That was one of the underlying reasons the government made the changes which we find in Bill C-21.

We have an admission that what was current in 1977 is no longer current. What was relevant in 1977 is no longer relevant. I would suggest that that too throws into total question not only Bill C-21, not only the boundary changes, but the philosophy underlying the government's rationale for making these changes.

• (1140)

I conclude by saying that what we have here is another chapter in this government's admission that its system is failing, that its philosophy is not able to contribute to our society in the way that it promised. I suggest that Canadians should take note of what is happening here this morning. They should take note of the tardiness, the haste with which the government works when it suits.

They should bear in mind that the same things are going to apply, the same incompetence is going to apply, the same vile nature is going to apply in the matter of other things which the government is going to bring up, whether it is changes to VIA, the GST, or any other supposedly good-for-Canada measure which I am sure will be forthcoming from the government in the future.

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INTERPARLIAMENTARY DELEGATION

PRESENTATION OF TENTH REPORT OF CANADIAN NATO PARLIAMENTARY ASSOCIATION

Mr. Bob Hicks (Scarborough East): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the tenth report of the Canadian NATO Parliamentary Association. This report concentrates on the annual session of the North Atlantic Assembly.

[*Editor's Note: See today's Votes and Proceedings.*]

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HIBERNIA DEVELOPMENT PROJECT ACT

MEASURE TO ENACT

Hon. Doug Lewis (for the Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-44, an act respecting the Hibernia Development Project and to amend certain acts in relation thereto.

Mr. Deputy Speaker: Is it the pleasure of the House that the hon. minister shall have leave to introduce the bill?

Some Hon. Members: Agreed.

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

* * *

OSLO OIL SANDS PROJECT ACT

MEASURE TO ENACT

Hon. Doug Lewis (for the Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-45, an act respecting the OSLO Oil Sands Project.

Mr. Deputy Speaker: Is it the pleasure of the House that the hon. minister shall have leave to introduce the bill?

Some Hon. Members: Agreed.

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

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. John Manley (Ottawa South) moved for leave to introduce Bill C-273, an act to amend the Criminal Code (gun control).

Mr. Deputy Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the bill?

Some Hon. Members: Agreed.

Mr. Manley: Mr. Speaker, the purpose of this bill is to increase the effectiveness of the legislation relating to the control of firearms in Canada. In particular, four basic changes are being proposed with respect to firearms acquisition certificates.

The first is to increase the age limit for obtaining a certificate from 16 years to 18 years of age. The second is to raise the fee charged for the certificates from $10 to $100, which should come somewhat closer to recovering the cost of administering the system. The third is to make a certificate valid for one specified firearm. The fourth is to require individuals to provide proof of secure storage for a firearm as a condition before a certificate is issued.

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

* * *

FOOD AND DRUGS ACT

MEASURE TO AMEND

Hon. Bob Kaplan (York Centre) moved for leave to introduce Bill C-274, an act to amend the Food and Drugs Act (controlled drugs).

Mr. Deputy Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the bill?

Some Hon. Members: Agreed.

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

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Tom Wappel (Scarborough West) moved for leave to introduce Bill C-275, an act to amend the Criminal Code (human being).

Mr. Deputy Speaker: Shall the hon. member have leave to introduce the bill?

Some Hon. Members: Agreed.

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

Mr. Deputy Speaker: There is a private member's bill standing in the name of Mr. Boudria. Mr. Boudria is not here at the present time. Is there unanimous consent to allow—

Some Hon. Members: No.

Mr. Deputy Speaker: We have the same issue this time with respect to Mr. Brewin who is not present in the House. Is there unanimous consent—

Some Hon. Members: No.

* * *

CANADA LABOUR CODE

MEASURE TO AMEND

Mr. Lyle Kristiansen (Kootenay West—Revelstoke) moved for leave to introduce Bill C-276, an act to amend the Canada Labour Code (unjust dismissal).

Mr. Deputy Speaker: Shall the hon. member have leave to introduce the bill?

Some Hon. Members: Agreed.

Mr. Kristiansen: Mr. Speaker, the purpose of this bill is to provide that no employer may suspend, discharge or impose any financial or other penalty on a person employed by him, or take any other disciplinary action against such a person by reason of that person having refused to perform an act that he has reasonable cause to believe is prohibited by law.

Essentially, this kind of bill is called whistle blowing legislation. It can be used by employees, whether public or private, to ensure that they can act as policemen of the environment or any other law, edict or regulation, federal, provincial or local.

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

* * *

PETITIONS

RIGHTS OF THE UNBORN

Mr. Gus Mitges (Bruce—Grey): Mr. Speaker, it is my privilege to present petitions from the city of North Bay, Ontario, containing the signatures of 1,900 citizens who believe passionately in the sanctity of human life from the moment of conception. They fervently oppose the taking of innocent human life through abortion.

The petitioners call upon Parliament to pass legislation that will protect life from conception. I wholeheartedly endorse that position.

• (1150)

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, pursuant to Standing Order 36, I have the pleasure to introduce petitions signed by 2,885 Albertans who ask the government to pass legislation that would protect the life of the unborn. I support such legislation.

[*Translation*]

OPPOSITION TO PROPOSED GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, today I am tabling ten more petitions in the House on behalf of Canadians who object to the proposed 9 per cent goods and services tax, which will take effect on January 1, 1991, unless the Conservative Government heeds the advice of your petitioners and reverses its decision. Your petitioners say:

That the goods and services tax will increase the cost of living of Canadians. This universal tax will be hidden, and it will be impossible for the consumer to detect or monitor the tax.

That this new universal goods and services tax will create serious and unfair hardship for low- and middle-income Canadians. And finally,

That the tax will put a heavy financial burden on small business.

Your petitioners humbly pray and call upon Parliament to reject the proposed goods and services tax.

Mr. Ronald J. Duhamel (Saint-Boniface): Mr. Speaker, I have the honour and the privilege to table a petition on the goods and services tax.

[*English*]

This is a tax, according to these individuals, that really attacks the fundamental fabric of Canada. It will attack our 3.5 million to 5 million poor and single parents, particularly mothers. It will also have a negative impact on seniors, and on students who will be paying additional taxes for their education. They also point out the nightmare that will be caused for business people.

[*Translation*]

Mr. Speaker, the tax is anti-family and anti-child, and they want the tax to be abolished.

[*English*]

VIA RAIL

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I, too, have the honour to present six petitions on behalf of petitioners from all western provinces who are very concerned about the cut-backs to the VIA Rail service, and who feel that the cuts of some $400 million over five years will result in a serious reduction of passenger railway service, threaten maintenance, safety and jobs.

They call upon Parliament to maintain the existing VIA network, upgrade VIA equipment and guarantee VIA sufficient support to carry out its mandate to provide passenger service in Canada.

UNEMPLOYMENT INSURANCE

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition certified by the Clerk of Petitions.

This petition is from the community of Heart's Desire in my riding. The people in that area, it is no surprise to you, rely very heavily on unemployment insurance. They are very concerned about the withdrawing of the government's $2.9 billion from the insurance fund, leaving the financing of this crucial program to workers and employees.

They humbly pray and call upon Parliament to reject these cuts in the unemployment insurance system and to come up with a better system and a more effective regional development policy.

PROPOSED GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to rise to present a petition pursuant to Standing Order 36 in opposition to the government's proposed goods and services tax. The petition is signed by a great number of residents of the riding of Kingston and The Islands who are opposed to this tax and who call upon Parliament to reject any government proposal to introduce the tax in this House and to impose it unfairly and unjustly on the people of Canada.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition signed by a number of residents of Burnaby and New Westminster, B.C., and Timmins, Ontario, in opposition to the government's proposed goods and services tax.

The petitioners request that Parliament reject the current proposal for a goods and services tax and cause the government to cease with the proposal which will shift the tax burden on to ordinary Canadians through a regressive consumption tax instead of through real tax reform.

VIA RAIL

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I also have another in a long series of petitions on the subject of VIA Rail. Again, the petition has been certified as correct by the Clerk of Petitions.

It is signed by a large number of residents of British Columbia, Alberta and Manitoba, including two signatories from the community of Craigellachie, which was the site of the driving of the last spike in the construction of the trans-Canada railway. These citizens obviously hope that their community will not see the end of the railway that they played such an important part in establishing.

The petitioners call on Parliament to maintain VIA Rail, Canada's present national network, to upgrade VIA Rail with new equipment and to give VIA Rail a sufficient budget to maintain its national mandate for passenger service.

MEECH LAKE ACCORD

Miss Deborah Grey (Beaver River): Mr. Speaker, it is my honour and duty pursuant to Standing Order 36 to present a petition signed by students at the University of Calgary located in the riding of Calgary West.

The signatories are over 200 young men and women who care a great deal about the nature and the future of our country. They are asking Parliament to rescind its endorsement of the Meech Lake Accord, to sign a new agreement that will address the concerns of all regions, in fact to unify, not divide Canada, and to provide for popular ratification of all future constitutional amendments.

I know that Parliament will appreciate young people trying to do something positive for Canada.

UNEMPLOYMENT INSURANCE

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I also rise under Standing Order 36 to present a petition from residents of British Columbia who are very disappointed in this government's action in cutting parental leave benefits for adoptive parents in the UI legislation. They feel that the 15 weeks of adoptive benefits that we previously had were more in keeping with what adoptive parents need, and that a cut to 10 weeks does not adequately cover the needs of adoptive parents. They ask the government to reconsider and rescind this discriminatory and regressive measure. I am pleased to present this petition on their behalf. It is signed by 50 residents of British Columbia.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I, too, am delighted to present a petition pursuant to Standing Order 36 on behalf of a number of people from Kamloops, British Columbia, who are also concerned about the cuts that the government has made for adoptive parents from 15 weeks to 10 weeks. The feeling is that this is a very regressive step. They are asking the government to reconsider this matter to encourage people who have adopted children to provide that very quality time at the beginning of the relationship.

PROPOSED GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on another matter, again from Kamloops, British Columbia, I have a whole list of constituents who are depressed with the fact that the government seems to be so callous in the imposition of this goods and services tax. They are calling upon the government to see what this is going to do, particularly to those people living in the regions of Canada, and to go back to the drawing board and start over with some real tax reform.

VIA RAIL

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a third petition regarding VIA Rail. Again, it is from western Canada.

Westerners are pointing out that they believe that the government's decision to curtail and reduce VIA Rail service across Canada is not a terribly thoughtful act. They are pointing out the environmental benefits of passenger rail service and are asking the government not only not to curtail VIA Rail, but in fact to invest and modernize VIA Rail, to encourage more people to take the train than at present.

AGRICULTURE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise today pursuant to Standing Order 36 to present a petition on behalf of a number of producers from western Canada, farmers who are concerned about the direction that this government is taking with respect to agriculture in this country, particularly with respect to its dismantling of the Canadian Wheat Board and its removal of oats from the Canadian Wheat Board.

This petition calls for the government to reinstate oats under the Canadian Wheat Board and to give oats and barley the same protection under the Canadian Wheat Board Act that wheat presently has.

PROPOSED GOODS AND SERVICES TAX

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise with 12 petitions in hand from all parts of western Canada, northern British Columbia, Vancouver Island, the Lower Mainland, my riding of Mission—Coquitlam, Calgary, other parts of Alberta and from a number of communities in Ontario. The petitioners are appalled at the introduction of a goods and services tax that provides and ensures an effective minimum tax on wealthy individuals and corporations, while imposing even further taxes on average income earners. Pursuant to Section 36, I would like to present this petition.

• (1200)

FORESTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I have two petitions. The first is from residents of the spruce capital, Prince George, in northern B.C., who have signed the petition urging the government to move quickly to ensure that the Forest Resource Development Agreement between the federal Government of Canada and the Province of British Columbia is signed to ensure that the replanting of our harvested lands takes place.

PROPOSED GOODS AND SERVICES TAX

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I also have a petition signed by residents of British Columbia in communities like Lone Butte, Powell River, Coquitlam and Sechelt, who are expressing concern about a disappointment, as the member from Kamloops said, over this government's plans to introduce a goods and services tax. These petitioners call upon the government to bring in effective income tax measures that are fair and equitable to all Canadians.

* * *

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would ask that all questions on the Order Paper be allowed to stand.

Mr. Deputy Speaker: Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: I wish to inform the House that, because of the ministerial statement, Government Orders will be extended by 21 minutes beginning at one o'clock.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada) moved that Bill C-43, an Act respecting abortion, be read the second time and referred to a legislative committee.

Mr. Deputy Speaker: On a point of order, the hon. member for Kamloops.

Mr. Riis: Mr. Speaker, before we hear the Minister of Justice make his presentation on this very critical area, I would suggest that we give some thought to the following. Normally when the government introduces legislation, as it is doing today, the tradition has always been that the government would make its presentation, followed by a member of the opposition, then back to the government, and back and forth across the aisle with members speaking in favour of or against the legislation.

Recognizing that this is a special piece of legislation where there may be people speaking both in support or against from all sides of the House, I wonder whether the House would give some consideration to not following the usual course of having a speaker from the government and then from one of the opposition parties, but that we simply look at it in terms of speakers who are speaking for the legislation or against the legislation. In that manner a much more balanced debate would take place over the next few days. Perhaps we could even do it on a gender basis, with an effort being made to have men and women speaking on this in the first hours of the debate.

Mr. Gauthier: Mr. Speaker, we cannot agree to that proposal, basically because it would have to be well known prior to debate what the position of the individual speakers are, and I think that would be prejudicial to the debate.

I would like to just make one point. Is it possible for the House of Commons to provide some of us with additional copies of this bill because it is in great demand by the population? The House is only giving out up to one hundred copies of the bill per member. I wondered if we could resolve that by asking the House of Commons to make available reasonable amounts of copies to those members who request additional copies.

Mr. Cooper: Mr. Speaker, may I first react to the comments of the official opposition whip. We too would favour publication of more of the bill simply because of the nature of the debate and the interest across the country in it.

If I may respond to my friend, the House leader for the NDP, let me say that we would have some concerns with that because, as has been mentioned, one does not

necessarily know the position of particular members on the debate before they speak. Although we are treating this matter as a non-partisan issue, an issue that is bigger than any one party in the House, all the evidence that we are getting at this point clearly indicates that members of the NDP are taking a partisan position *en bloc*. Unless there was evidence that they too were going to have a free vote for their people, as we are, we would not at this point want to consider that suggestion.

Mr. Deputy Speaker: Does the parliamentary secretary have any comment to make on the request made by the member for Ottawa—Vanier?

Mr. Cooper: Mr. Speaker, we too favour the proposal as put forward by the Whip of the Liberal party. I think it is a good one and I am sure all of us would agree with it.

Mr. Riis: Mr. Speaker, I appreciate the suggestion that additional copies be made. I think we all appreciate that copies of this bill will be in greater demand than a normal piece of legislation.

Just so my hon. friend the parliamentary secretary to the Government House Leader is aware, all of the members of the New Democratic caucus are of the same mind. They all, in fact, oppose the legislation. He can say what he likes, the fact is that we do oppose the legislation.

Mr. Lewis: Mr. Speaker, I rise today to address a very sensitive and difficult issue, an issue which has moral, ethical, religious, and often very personal meaning for every Canadian. I am referring to the issue of abortion.

In a perfect world, abortion would not be necessary for any reason. We all know, however, that the world is not perfect and that abortions are sometimes necessary. For this reason, we must face the issue of abortion as best we can as individuals, as members of Parliament, and as a government. We must try to come up with a reasonable solution to this sensitive and difficult issue.

We believe that the bill now before the House for debate presents such a reasonable solution to the matter of abortion. The proposed new abortion law, which I will go into in a minute, is understandable, it is workable, and it is fair. It has, as its overriding objective, the balancing of interests, the rights and interests of women and society's interest in the protection of the foetus.

This proposed law will not satisfy partisans on either side of the issue. Only absolute positions would do that. I think you will agree, however, Mr. Speaker, that this proposed law succeeds in reflecting the different interests which are at stake in such a way that we believe is consistent with the requirements of the Charter of Rights as well as the needs of Canadians.

I would ask in the national interest that all Canadians stop to consider the strong personal views of their fellow Canadians before condemning this bill for not perfectly representing their own personal views.

As background I would point out that for many years it was a criminal act to procure an abortion in Canada. When the Criminal Code was revised in 1969 a new provision was enacted, Section 251, which provided that abortions could be legally obtained if certain conditions were met.

In 1982, we had the Charter of Rights and Freedoms. When that came into force included among the protections in the charter is a guarantee of the right of security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice.

In defence to a criminal charge laid against him, Dr. Henry Morgentaler challenged the validity of Section 251 of the Criminal Code as a violation of the Charter of Rights and Freedoms. In January, 1988, the Supreme Court held that the guarantee of security of the person and the principles of fundamental justice were violated by Section 251. The Supreme Court found, moreover, that the law could not be saved as being a reasonable limit on such rights as provided for in Section 1 of the charter and ruled that Section 251 was unconstitutional. Canada was thus without a federal law to govern abortion.

[*Translation*]

The government started discussions and consultations immediately after the decision in the Morgentaler case.

However, three events forced us to postpone a decision on the approach to be taken.

First, during the summer of 1988, we tabled a resolution in the House for general consideration. Once again

the House witnessed an impassioned debate. It was impossible to reach a consensus. No motions or amendments were passed. However, the debate and the vote proved how difficult it was to find a satisfatory solution.

• (1210)

Second, the fall election of 1988 obliged us to further postpone dealing with this issue. Finally, we decided to wait for the Supreme Court's decision in the Borowski case before going any further. In this case, Mr. Speaker, the Supreme Court had to determine whether the foetus enjoyed the right to life guaranteed under Section 7 of the Charter and the equality rights provided under Section 15. The Supreme Court rejected the appeal last March.

Since Section 251 of the Criminal Code was no longer in effect, there was no case, according to the court.

[*English*]

The House will appreciate that while dealing with the impact of the Supreme Court's decision in Morgentaler or any legislation dealing with abortion was a matter of great importance, it was also one which demanded the most careful consideration, consultation, and many months of serious study and deliberation.

The work of the Law Reform Commission was carefully considered, and I congratulate the commission for its excellent work. I also want to thank the more than 150,000 Canadians who have taken the time to express their concern to me about this important matter. We believe that we have a reasonable solution to a very difficult issue.

Abortion is an issue which divides Canadians. There are no neutrals, everyone has an opinion. These differences of opinion are reflected in cabinet and in Parliament.

It appeared for a time that the very lack of consensus on this issue made new abortion legislation difficult, if not impossible, to achieve. However, the events of this past summer illustrated a clear need for a national position on the issue of entitlement to abortion and led many Canadians to realize that a balanced approach, recognizing the strongly-held views of all, was required.

I note in passing that the events which led to this reassessment, that is the applications for injunction, could have been made prior to the old abortion law being struck down. Indeed, there were such applications. However, coming as they did in the absence of any federal abortion law, court applications had the effect of crystallizing public demand for abortion legislation. Canadians will never be unanimous about what abortion law should be passed, but there is currently considerable consensus that some federal law should be enacted. Some legal mechanism regulating abortions is in order. As the government it is our duty to act, and through this proposed amendment to the Criminal Code the government is taking action.

We have decided to proceed using the criminal law powers of the federal government. In coming to this conclusion and decision we carefully canvassed all the options there were to address this issue. But only by using the criminal law power, however, can the federal government ensure a national approach to the issue of entitlement of abortion.

The federal government cannot directly regulate abortion or the conduct of individuals in any other way. The federal government cannot directly provide medical services, nor can it prevent court actions, such as applications for civil injunctions to prevent a woman from obtaining an abortion. These are matters within provincial jurisdiction. What we can do, and what we are doing, is proposing legislation which will establish a national standard for entitlement to abortion in Canada. It is worth noting, Mr. Speaker, that the Law Reform Commission and the Right Hon. Leader of the Opposition have both endorsed the use by the federal government of the criminal law power to legislate on the abortion issue.

[*Translation*]

Under the proposed legislation, any woman seeking an abortion will have to consult a medical practitioner. Abortion is a medical act that requires specialized knowledge. Consequently, abortion can only be practised by a person with the requisite medical qualifications, and only on health grounds. If the medical practitioner is of the opinion that the pregnancy would threaten the life or health of a woman, an abortion will be induced. The legislation does not provide what some people refer to as abortion on demand. The term "health" is broadly

defined to include mental, physical and psychological health. The medical practitioner must determine, in accordance with generally accepted standards of the medical profession, whether there are health reasons to justify an abortion.

[*English*]

This legislation is fair to women for it enables women to consult the doctor of their own choice. It also removes the impediments which cause delays in obtaining lawful abortions under the old Section 251 and ultimately led to the section being struck down by the Supreme Court as being unconstitutional.

This legislation is also fair to the doctor. It requires the physician to apply normal medical standards and principles in making a determination as to whether any of the health grounds exist, and it also allows the physician to make that determination without onerous administrative obligations that could cause delay.

I would also say that doctors who, in the exercise of their medical judgment according to the standards of their profession, determine that a woman's health or life is threatened by a pregnancy, have no reason to fear potential criminal consequences of the legislation. We believe that this law is a reasonable solution which is sensitive to the differences of opinions among Canadians.

Under the proposed legislation, abortions may only be lawfully induced if they are performed by or under the direction of a medical practitioner. This provision obviously applies to abortions induced by medical practitioners, by drugs, or mechanical means. This provision also applies to abortions induced by persons acting under the direction of medical practitioners.

The bill does not apply to a drug, a device, or other means such as an a IUD or a "morning-after" pill that is likely to prevent the implantation of a fertilized ovum. Preventing implantation is not considered by the medical profession to be an abortion, and neither was it so considered under the old law.

It is well established that only doctors can practise medicine. However, it is conceivable that in certain cases a nurse or a medical technician may be called upon to act in this regard. Nurses, in these circumstances, are accountable to the physician. The section applies to any person who intentionally and knowingly induces an illegal abortion, whether it be the woman, a doctor, or anyone else inducing the abortion.

I might mention that in rendering persons subject to liability under the Criminal Code, the government wishes to emphasize society's interest in protecting the foetus and the necessity of medical supervision when an abortion is induced. Criminal liability should be imposed on all persons who act outside of the law.

• (1220)

[*Translation*]

Mr. Speaker, I would like to draw your attention to Clause 288 of the proposed legislation.

The purpose of this clause is to prevent persons lacking the required qualifications from supplying women with drugs or other noxious things to induce an abortion.

Its intent is also to prohibit such persons from supplying or procuring drugs or other noxious things.

[*English*]

I want to address some charter issues, if I can, Mr. Speaker. We are confident that this bill responds to the concern expressed by the Supreme Court in the Morgentaler decision. First, the bill creates no legally imposed delays or obstacles to obtaining a legal abortion, other than the necessity to consult other doctors. Under this legislation, a single doctor can reach the opinion that a woman's life or health would likely be threatened based on a normal consultation. Furthermore, there are no therapeutic abortion committees or accredited hospitals required. Unlike the old law, the same doctor who originally sees the patient may also perform the abortion.

Second, with this legislation, stress on the woman and the doctor is minimized. The doctor-patient relationship is respected and the normal medical standards are to be applied.

Third, health is now defined to include the consideration of physical, mental and psychological factors.

Fourth, the bill does as much as it can to ensure that lawful abortions are possible in all areas of the country including remote and rural areas.

Fifth, the clarification that preventing the implantation of a fertilized ovum is not considered to be an abortion and is not subject to the proposed legislation will make it clear that the state will not interfere with the

rights and interests of the woman in any way that contradicts the Morgentaler decision.

Finally, there is a clear policy decision to protect the interests of the foetus throughout pregnancy because a woman can only obtain an abortion if her health or life are threatened.

There have been four issues raised during the early consideration of this bill by the public and by the media. Those are namely the question of access, the possibility of third-party criminal charges, the possibility of injunctions and the responsibility of doctors. On the issue of access there are separate questions that I do not think should be confused. First, this bill is based on the principle that the legislation must not contain any unfair or unnecessary obstacles to lawful abortions throughout the country. I submit that this bill contains no such obstacles. It is based on the principle of fairness and equality. Second, what the bill cannot do, and what the federal government cannot legally do, is to regulate the practice of medicine or the provision of medical services including access to abortion services. This is clearly under provincial jurisdiction. Our criminal law power is based on an authority to prohibit and there is no reasonable way to use this authority in a positive way to guarantee access.

On this particular issue, I would like to quote the Right Hon. Leader of the Official Opposition who on April 28, 1969 as reported at page 8059 of *Hansard* stated:

> The hon. member suggests there is a constitutional aspect to this as well. The relationships in civil law between the patient and the doctor, between the patient and the nurse, between the doctor and the hospital, the nurse and the hospital, are relationships falling within the operation of provincial law, the civil law and the constitutional responsibility of the provinces—the subject of statutes which regulate hospitals and the professions. These are properly provincial matters, and this is another reason not to trespass on any of these civil relationships which may be accessory but which are not directly affected by this legislation.

The Right Hon. Leader of the Opposition was speaking to the original amendments to the Criminal Code of that day, that is Section 251. The principle still applies. Moreover, we would point out that in the exercise of their jurisdiction the provinces must respect the constitutional rights of women and doctors.

Another issue that has arisen is how this legislation will be policed. It is clear, as before, that the prosecutorial authority will rest with the provincial Attorneys General. I am confident that they and the police will act responsibly, as they have in the past, and in full respect of the Charter of Rights and all of the protections of our criminal justice system, including the presumption of innocence. Furthermore, I am confident that there will be no harassment or deprivation of civil liberties as this would not be tolerated by the Attorneys General or by the courts.

As has been pointed out, individuals can attempt to lay charges under this or almost any provision of the Criminal Code. In this context, that possibility may sound worrisome but we must remember the reason for it. It is a very profound democratic belief that, in most cases, individuals can undertake private prosecutions. However, this is subject to the controlling powers of the courts or the Attorneys General who will ensure that these rights are not abused. In this situation, a private person can only proceed if a justice agrees that the matter should proceed to court and if it is not stayed by the provincial Attorney General. There is no history of numerous fraudulent or malicious prosecutions in this area, and no reason to believe that there will be under this legislation.

[*Translation*]

Mr. Speaker, the government does not think the courts will be inundated with third party criminal charges under the new legislation.

We don't think that will happen. This is a very sensitive matter, and proceedings are likely to involve problems with evidence and other difficulties.

Furthermore, the provincial attorneys general have the power to stay prosecutions that are not in the public interest.

[*English*]

It is important to make the distinction that this is not the same issue as whether civil injunctions will remain possible. As a federal government, we cannot legislate directly in this area, but in this legislation, Parliament will have legislated on matters central to a woman's entitlement to have an abortion, and any civil injunction would have to take that into account. Specifically, it should not be questioned under civil law that a woman has the freedom to have an abortion, if a medical

practitioner has reached the opinion that her life or health is threatened as defined in this bill.

I would like to address the role of medical practitioners in this legislation. There may be some concern that they are subject to criminal liability, and indeed they are unfairly given undue responsibility in this legislation. However, doctors have onerous responsibilities in relation to decisions on abortion, but I would like to point out why and how this legislation adds to these responsibilities only in the most reasonable way possible.

First, the government has decided that there should be legislation and that it should balance the rights of the woman and society's interests in the protection of the foetus. To do this, the federal government must legislate under its criminal law power in order to establish this balance in a way that applies across the country.

In looking at how to legislate, the government decided, first, that abortion is a medical act and that doctors must perform or direct that act. Second, that if the balancing mechanism were to reflect the interests of the woman through a health determination, again doctors must make that determination. No one else could.

Having so reasoned, the government then ensured that the responsibilities of the doctor would resemble, as closely as possible, the responsibilities that he or she already exercises and that no extraneous administrative procedures or outside opinions would be required by the legislation. The doctor is as free as possible to decide on whether or not to induce an abortion, how and where to do so, and whether or not to seek outside opinions for medical reasons. In making his or her decision the doctor would do so in accordance with generally accepted medical standards. All that is added by the proposed legislation is a provision for criminal liability if the legislation is not followed.

• (1230)

This is mainly aimed at persons who are not medical practitioners but carry out abortions in unsanitary and unsafe conditions. Medical practitioners are only liable under the proposed legislation if they do not in good faith apply the health standards.

Here is the question. Should someone else, such as a judge or a committee, be added to determine the balance, to take this responsibility? I think this would clearly be unwise because all these decisions are medical.

Moreover, any additional procedures and procedural requirements would add delay and would immeasurably add to the stress on the woman and on the doctor–patient relationship and thereby violate the charter. Clearly this result would be worse for the doctor and for the woman and of no benefit to society. We have every confidence that the doctors of Canada and women will carry out their responsibilities fully and in good faith.

After tabling this legislation last Friday, I returned to Orillia late Friday evening because I wanted to find out just how my constituents would react to this bill. I deliberately moved on Saturday through the market, the bank, up the main street, through the mall. I went to a fiftieth wedding anniversary and a hockey banquet. On Sunday I went out to a rural church where it was the hundredth anniversary of Orillia Central Presbyterian Church. I was engaged by the people of my riding *vis-à-vis* this bill.

I did not know when I went home just exactly what the reaction would be. Certainly I had seen the reaction from certain parties on either side of the spectrum. But I can tell you, Mr. Speaker, that there was overwhelming support from the people I represent. It is not that there were not people on either side who objected to the bill but there was overwhelming support in my area as I was approached from people of all ages and all economic and social backgrounds.

They realize that a compromise was necessary, and they encouraged me to go forward. And we are going forward.

[*Translation*]

Canadians would prefer to see the need for abortions disappear.

However, we all agree that abortion has been practised in the past, is still being practised today and will continue to be in the future, irrespective of any legislation the government may pass.

[*English*]

Several weeks ago one of my constituents, a doctor, wrote to me about this issue. The doctor in this instance is not pro-choice, but as a result of his medical practice in my home town of Orillia he has come to see the necessity of regulating access to abortion. This constituent in a letter to me and also in person relayed the experience he had as a young medical practitioner working in the emergency department of a Toronto hospital before the enactment of section 251. A young woman was brought in, and as it turned out she soon died, as a result of an unlawful abortion which was poorly done. That tragic story, which was a story that took place all over Canada, must not be repeated.

It is our responsibility as a government, it is our responsibility as a Parliament to ensure in so far as possible that abortion legislation reflects social needs and at the same time respects the Charter of Rights and Freedoms. I believe that this bill achieves those objectives. I also believe that the matter of entitlement to abortion is one which must be determined by Parliament and not by the courts. It is up to us to try to resolve this issue. That is why the government has introduced this bill.

Abortion is an intensely personal issue. It is one that is not readily susceptible to compromise, much less consensus. Nevertheless, Canadians must appreciate that there are strong differences of opinion among individuals and when those differences of opinion occur it is up to the law to balance the diverging views. That is what we have sought to do.

We are not asking Canadians to change their view as to what they think is right. We are asking Canadians to respect the views of others and to respect this new law.

In approaching this sensitive and difficult issue the government took into account all the views of the Canadian people and balanced those views in a reasonable and workable way. We would not support any amendments that did not take a similar approach and respect the Charter of Rights and Freedoms. We cannot turn back the clock to a time when women's lives were threatened because they could not attain a legal abortion. The law must determine entitlement to abortion. At the same time we must ensure that a mechanism exists to support society's interest in protecting the foetus as well as the rights of women.

We believe that the legislation we have introduced protects these vital interests in a way that will be acceptable to the majority of Canadians. That is our objective.

[*Translation*]

Hon. Bob Kaplan (York Centre): Mr. Speaker, we are now at the second reading stage of this Bill, and normally, this is a time when Members speak out in favour of or against the principle of a bill. When the Minister introduced the Bill today, he mentioned studies, consultations and other work that had been done on the government side to prepare for this moment. We on this side have had only three days since legislation was tabled in the House proposing a solution that was unexpected, to say the least, to the abortion problem. I trust the House will realize that we on this side still have to consult our caucus and that we have not yet had our national caucus. Nevertheless, I am prepared to give a preliminary response to the legislation and the system proposed by the government to deal with the abortion issue.

[*English*]

I certainly agree with the minister that there are few issues that are as serious, that touch as many Canadians as profoundly. Some people may compare this debate in its intensity to the debate on capital punishment, but capital punishment is something very remote from the lives of all Canadians.

Abortion, pregnancy, its termination, the considerations that bear on it are immediate and, if anything, the abortion debate has the additional intensity that comes with its relevance to every family and relevance to every person in our society.

For members of Parliament it is more intense because we literally walk through the debate as we come to Parliament Hill every day, pressed as we are in the streets and in the park in front of Parliament Hill by strongly held views from lobbyists, pro and con, who besiege us as we reach our office where we are inundated with mail and telephone calls and invitations to meetings dealing with two strongly held alternatives on how the problem of abortion should be addressed.

Certainly there is a new element in the debate which I as one who has been here for over 20 years have to observe. On the side which calls itself pro-choice, there is an increasing sense of the legitimacy and the ethical foundation of their position. I hope members of the House are taking note of that.

• (1240)

These individuals in the past certainly pressed their case with intensity. They have a very strong sense which I think needs to be recognized from their point of view of having an unwanted child. Not being able to control fertility is a serious ethical issue. Their commitment not to want to bring an unwanted child into the world has to be considered from the same perspective as one considers the point of view strongly held from the other side that a human being is created at conception and that the abortion policy of the country has to be founded on that.

One of the arguments that I have had some difficulty with is the argument that as a man I am not entitled to deal with the issue and that as a chamber filled with mostly men this issue cannot be dealt with by us. It is a serious argument but when one looks at the consequences of not having a national policy on abortion established in this chamber, one has to come to the conclusions that whatever our shortcomings as individuals in this House, whether we are elected men or elected women, we are elected by all the people of Canada, men and women. And if this issue is not addressed, if a national policy is not established, and a good policy, we are going to have a continuation of situations like the Dodd case and the Daigle case. We will see headliners like the one on the front page report this morning from Nova Scotia about how Dr. Morgentaler is being stopped in the province of Nova Scotia, where a different policy would prevail that applies in any other part of the country if the law he was challenging is held to be valid.

I think this is the place to establish a national policy on abortion. One of my criticisms of the legislation that I will come to in a moment is particularly with the policy expressed by the Minister of National Health and Welfare, which is that the government is not prepared to have Parliament bring forward a full policy on the subject of abortion.

When the Morgentaler decision in the Supreme Court of Canada struck down the abortion provisions of the Criminal Code, the opposition under the leadership of the member for Vancouver Quadra was very quick to respond. Within hours we were on our feet in the House calling on the government to bring forward legislation and to bring it forward on an urgent basis.

We said that the legislation should respect the finding of the Supreme Court of Canada as to the rights of a woman, as to the interests of the foetus. In fact the Governor General-elect who was then the Minister of Justice indicated that the government would respond rapidly and that the legislation would bear more or less on the lines which my leader and I in our questions and in comments to the media indicated our caucus would support.

At the same time we made it clear that for us this would be a free vote. Members of our caucus would not be pressured or constrained to create a unanimous, monolithic party position. We considered the issue to be that important.

Now I want to turn to the actual legislation proposed by the government and deal first with my grave concern about its constitutionality. This is legislation which we know will be challenged as to its constitutionality, but it seems nowadays that all legislation is challenged as to its constitutionality.

What concerns me more about this legislation is that the challenges that we know are coming may well be valid in my opinion. Second, these challenges to this bill if enacted in its present form will in every case involve an unfortunate pregnant woman, either going to court herself or being forced into court by a man—her husband, her boyfriend, her ex-husband, her ex-boyfriend—in the ways we have seen in the Daigle and Dodd cases. This is extremely unfortunate and I feel that it is wrong to subject the country to a validation of this legislation in that format.

I suggest that the government rely on a power available only to it under the Supreme Court of Canada Act to take this legislation now in its form as a bill to the Supreme Court of Canada to have its constitutionality validated.

I want to refer to some arguments on that subject. First, I want to refer to a textbook on references to the Supreme Court of Canada which sets out the legislation and refer to the statement made by the distinguished author, Peter Hogg, at page 181:

A balanced assessment of the reference procedure must acknowledge its utility as a means of securing an answer to a constitutional question—the reference procedure has been used mainly in constitutional cases.

And this is one:

This is because it enables a government to obtain an early and (for practical purposes) authoritative ruling on the constitutionality of a legislative programme. Sometimes questions of law are referred in advance of the drafting of legislation; sometimes draft legislation is referred before it is enacted.

I have another quote, but I want to indicate here that I would not have favoured going to the Supreme Court of Canada with an idea or with a question. I do not think that that would have been appropriate. I think we have a job to do here in the House of Commons, to make our minds up about the form in which the legislation should be presented.

I disagree with the Minister of Justice who indicated at a press conference yesterday that a reference would be undesirable in this case but gave no reasons why it would be undesirable. I have the transcript of what he said in the House yesterday. He said, as reported at page 5594 of *Hansard:*

We feel it is important that the legislation go forward with the imprimatur of Parliament on it. We believe that there was a request for leadership from the public.

I concede that, but for the reasons I have indicated I think a great deal of public good will be achieved by referring the legislation before we proceed with a difficult debate and before we get into the hot arguments on one side and the other that we know will be coming.

I want to refer to another authority on references, Barry Strayer, now on the bench, and his book on the Constitution. At page 281 he said:

The disruptive effect of continuing uncertainty, and the probability of much longer delays before the issues would otherwise have reached the Supreme Court by ordinary appeal, made the reference device a valuable means of clarifying the situation.

Remember that in the Daigle case we were dealing with a pregnant woman who was urging the Supreme Court of Canada to come back from summer holidays to hear her case early because of the urgency of the situation. I predict that this is the sort of circumstance the minister will visit on the country if he refuses to have the constitutionality of the bill established at this point.

The authority continues at page 281:

A There will also be situations where speedy determination is more of a necessity than a convenience.

And he goes on:

A reference may also provide relief where a private citizen would not find it convenient to take a constitutional case to the higher courts.

If a statute is held invalid, numerous citizens will be relieved from compliance with legislation which it was not practical for them to contest individually.

That is the case we are dealing with here. I want to urge the government to reconsider its refusal to have the constitutionality of this legislation tested and, if valid, approved at this point.

From the point of view of the support of the legislation I understand the cabinet supports this legislation. I suggest that endorsement by the Supreme Court of Canada will add stature and will add legitimacy which will assist and facilitate moving the legislation forward and getting it enacted.

I have difficulties with the constitutionality of the legislation for two important reasons: first, the constraint which the legislation contains on women's right; second, the failure of the legislation to recognize the interests of the foetus.

The Minister of Justice indicates that in his opinion the rights of women are fully protected in this legislation. I want to suggest to him that the way this legislation would work is to have two phases for an abortion. In phase one there will need to be a legal determination about the necessity or justification for the abortion. In phase two the abortion will be performed. It will normally be the case. The legislation contemplates that phase one and phase two are presided over by the same person, the doctor. There is no doubt that there are two phases and getting through phase one is a condition that a woman has to be subjected to, outside determination, before she is entitled to move into phase two and have her abortion. We know the Supreme Court of Canada was convinced in the conclusions that it reached, and from the evidence that it believed in its decision, that that determination was not easily obtainable in all parts of our country. It was a lot like having to find a therapeutic abortion committee. In some parts of the country there was not one.

• (1250)

It was a lot like making an appointment to appear before them to give the arguments. There are places in our country where a woman will not be able to obtain the judgment of a doctor, which is required in this new legislation. Because of the absence of that opportunity to have a judgment on the question of health, I believe the legislation is at least suspect, if not deficient, on constitutional grounds.

Mr. Justice Dickson pointed out:

> The law has long recognized that the human body ought to be protected from interference by others.

That is the way this determination can be seen. Mr. Justice Beetz noted:

> A pregnant woman's person cannot be said to be secure if when her life or health is in danger, she is faced with a rule of criminal law—

That is what we are talking about here, and the minister admits it:

> —which precludes her from obtaining effective and timely treatment.

I feel that the reservations and the process established constraining the rights of a woman, recognized by the Supreme Court of Canada, may invalidate this legislation.

On the other side of it, the Supreme Court of Canada recognized clearly that the interests of the foetus could be protected by the legislation that it invited Parliament to bring forward. Where is that protection? I do not see it in this legislation.

I do not see a clear statement, that at any point in the pregnancy the interests of the foetus should be recognized. I would remind the House of statements made by the Supreme Court of Canada in the decision, statements with which I and my leader agree, which we urge that the legislation reflect. Mr. Justice Beetz pointed out:

> —that there would be a point in time at which the state interest in the foetus would become compelling. From this point in time, Parliament would be entitled to limit abortions to those required for therapeutic reasons and therefore require an independent opinion as to the health exception.

The consideration which would justify an abortion being performed in the first week or in the first month, under this legislation, is exactly the same in this legislation as the consideration which would apply in the latest stages of a pregnancy. The legislation sets out no differences in the health considerations of the woman which the doctor is to take account of. There is no requirement that the foetus interests be given any weight at all.

Madam Justice Bertha Wilson pointed out in the same judgment:

> The precise point in the development of the foetus at which the state's interest in its protection becomes "compelling"—

She left that to the informed judgment of the legislature. She continued:

> —which is in a position to receive guidance on the subject from all the relevant disciplines. It seems to me, however, that it might fall somewhere in the second trimester.

Could there be a clearer invitation from the Supreme Court of Canada to consider and develop an informed judgment about what is the the proper point at which that consideration should be given weight? There is nothing about that in the legislation.

This legislation is not informed by the kind of consideration that the Supreme Court of Canada invited us to engage in. Therefore it cannot be called right to life legislation. I know members of the government party will want to call it that but they cannot. It does not develop a concept about the emergence of a foetus, of a human being, and a requirement that that be respected. There is not a word about it in the legislation. For the minister to call this a balanced bill which reflects two points of view is wrong.

He calls for a compromise. I do not see a compromise in this legislation. As I said in the press conference the other day, I see a subtle form of fraud in which the legislation invites women, as I said last week: "Ladies, here it is. All you have to do is find the right doctor. All you have to do is give the right reasons, and what have you got to complain about?"

That is an insulting and humiliating position to deliver to the women of this country. To call it a compromise is misleading. It is a cop-out. It is a failure, really, to address or respect a fundamental difference of views within Canadian society. It is a way of getting around it by copping out, which I think is really more a fraud or a farce than putting water in the wine or compromising in any sense of the word.

It reminds me of the old days when condoms used to be sold in drug stores with the slogan on the side of them: "Not to be used for birth control purposes". I have forgotten the exact language, but it was stated that it was supposed to be used just to prevent communicable sexual

diseases. That was a farce. I think we recognized it as a farce.

I am suggesting to the government that the legislation it is proposing is an invitation to the same type of mockery and contempt for the law as was the case back in the days when that legend appeared on the side of every condom that was sold in our country. I do not think that legislation on such a serious subject should be brought forward in a spirit of complicity or in a spirit of fraud. These are the reservations that I have on constitutional grounds about this legislation.

I have other reservations about it. I am glad the Minister of National Health and Welfare is here because I want to quote him. This legislation does not deal adequately with access. This legislation may establish a framework for obtaining an abortion. It does not provide—and there is no companion policy which provides it—that wherever in the country a woman seeks an abortion she shall have the same treatment at a level as is available everywhere else in the country.

This is an issue that is larger than simply the abortion issue. This is the difference between the Liberal way of looking at Canada and the Conservative way of looking at Canada. On this side of the House we feel that the government has a responsibility to provide a large measure of national leadership. We believe it is our job in this place to build up and reinforce Canadian identity through the creation, development, and strengthening of a set of values that we as Canadians believe in, to strengthen them and give them extra meaning, to give them extra definition every day.

On the opposite side of the House, those members do not see the responsibility of the federal government that way at all. They look at this piece of legislation, look at the Constitution, and see that health care is a provincial problem. They say: "Let us pass the buck to them. Let us not try in our way through whatever lawful means at our disposal to assure that women receive equal treatment across the country".

This is what the Minister of Justice said to the Canadian people and to the women of this country last week in his press conference. I have a quote from the transcript:

"It is the responsibility of the Government of Prince Edward Island to determine whether or not the women of Prince Edward Island should have to go to Halifax for an abortion".

• (1300)

It reminds me a little bit of the lotteries legislation. The federal government passed lotteries legislation and provinces could or could not have a lottery; it was up to them to decide. That is where the government places its responsibility for the national health care program of Canada.

We on this side of the House do not see national health care like a lottery. We think of it as one of the greatest sources of pride and unity in our country. We do not hesitate to do what we can do as a Parliament to get this legislation and policy implemented across this country so that whatever the abortion policy is, it will be available to women across the country on an equal basis and not on a totally differential basis from one part of the country to the other.

I know that the Minister of National Health and Welfare spoke about the Constitution of Canada yesterday. He said in the House of Commons, as reported at page 5596 of *Hansard*:

> We have an obligation to respect the Constitution of Canada which gives the primary responsibility for the delivery of health services to the provinces. The hon. gentleman concedes the fact that nowhere in the Canada Health Act is any procedure, including life-saving procedures, required to be provided in a specific way by any province. What the hon. member proposes is that we throw constitutionality to the wind—that we engage in an invasion of provincial jurisdiction.

I have news for the Conservatives. It was the national Government of Canada that created the national health care system of Canada. We invaded the provincial jurisdiction by the perfectly legitimate means of federal spending power and federal leadership to create a program which is one of the great sources of national unity and pride in our country.

I know because the Conservatives voted against it back in the 1960s that if it was proposed again or if they were the government at the time, we would not have a national health care program in our country. We have it because the federal government, then a Liberal government, saw a responsibility to provide leadership.

Just a few years ago we were constrained to ban extra billing as a national government. I know that if the present Minister of National Health and Welfare saw extra billing developing across this country, fragmenting the plan, tending toward two systems of health care, one for the rich and one for the poor—

Mr. Lewis: We voted for it.

Mr. Kaplan: They say they voted for it. I will grant them that they voted for it, but I ask them this. Would they have introduced it? Would the government opposite that talks today about how abortion access legislation invades provincial jurisdiction have invaded it as we did to ban extra billing through a perfectly legitimate means, the use of a real federal power? I am suggesting to the members opposite that the abortion policy, whatever it is, should not be left totally to the provinces so that if, in a particular province, a determination is made that women who want abortions should have to go to Halifax, then that is fine with them.

The minister told an anecdote or two about his own riding. I heard of a case last week of a woman flying on an Air Canada flight from Ottawa to Charlottetown who passed out on the airplane. One of the stewardesses is a friend of mine and told me that when the crew revived her, she said that she had come to Ottawa to have an abortion, she could not afford to stay overnight in a hotel here in Ottawa the way the doctor told her to do, so she headed back and she passed out on the airplane. That is fine for the Minister of Justice, I gather.

Mr. Lewis: I object to that.

Mr. Kaplan: He says that if the Government of Prince Edward Island—

Mr. Lewis: Jeez, you're sleazy. That's a sleazy way to put it.

Mr. Kaplan: This is exactly what the minister said. If the Government of Prince Edward Island decides that the women of Prince Edward Island should go to Halifax for an abortion, that is up to them. That is not the way we look at national health care in this country and we urge the government, we insist that the government find a method, and we can suggest many, of assuring not only that there is a framework about when abortions are legal, how to balance, as we argue they should, the rights of a woman and the emerging interests of the foetus, but also to establish equal access across this country, something that must be done. Even from the point of view that I mentioned earlier, the Supreme Court of Canada would enhance the constitutionality of this measure if it could be assured that not only the framework would be presented as the government has proposed, but that there would be equal access under it. The Morgentaler case discredited and condemned the earlier legislation partly because it did not provide equal access, even though the question of access under the Constitution, as I concede, is primarily a provincial matter.

I want to deal quickly with a few other points. This announcement by the government and this presentation of legislation is also deficient in failing to provide a family policy. Very often, the choice of an abortion for a woman from her personal point of view is no choice at all because of the pressures of economic necessity, the social conditions in our society, the absence of comprehensive day care and the absence of adequate support for single women with children.

It is not good enough for the government to talk about provincial responsibility in this matter. The Conservatives did not talk about provincial responsibility when they promised the day care program to the people of Canada. That is done within provincial jurisdiction under the spending program, but the Conservatives did not hesitate to announce that they would have comprehensive day care, that they would create hundreds of thousands of day care spaces across the country. Right after the election, it was not the Constitution that stopped them from doing it. They changed their minds and did not do it.

The introduction of a program on limitations on abortion has to recognize this fundamental fact. If as the Minister of Justice said in his remarks, the decision for an abortion does not belong to a woman alone because a woman's rights and interests are balanced with the state's interests in the protection of the foetus, if the state has an interest in protecting the foetus, it cannot put the whole burden of bearing the child and looking after the child on the woman or on the provincial governments to decide what level of programs they want to have. There is a larger national responsibility there.

If it is fair to have restrictions on the right of abortion—and I am not arguing against that—it is also necessary to offer programs and real support for women who decide to carry the child and make the decision to proceed with the birth and raising the child. Much more

needs to be offered to make this fair legislation on the side of a family policy which will really help women.

I heard it put very well a few weeks ago by someone who was noting the tremendous evolution of the rights of women. They are far from being equal, but a tremendous evolution has taken place over the last few years in which women have more and more opportunities for jobs and for employment outside the home. Then this person said, "Isn't it time that we tried to improve the working conditions of parenting?" It is time that we tried to improve the working conditions of parenting.

It is a fundamental responsibility of the government, when introducing abortion legislation, restrictions on abortion which in principle we support, to have family programs accompany them, measures to improve the working conditions of parenting, to put it in a phrase that I think is particularly apt.

In conclusion, I want to address the free vote aspect of this issue. This is a free vote, and a number of members characterized their approach to this as a vote on the basis of their conscience. I want to at least give those members who argue that their consciences are the sole determinant of what their vote is going to be something to think about.

• (1310)

In a pluralistic and multicultural society like Canada, there is a larger perspective on national issues than one's own conscience. One cannot vote against one's conscience but I submit that in a pluralistic society, one should seek to find a position which reflects not only his own conscience as a member of Parliament but the consciences of the people who support that member and have voted for him or voted against him, but from whose constituency he has come to Ottawa to vote.

I mentioned at the outset an ethical position opposed to abortion and an ethical position in favour of a free choice on abortion in the interests of family planning. Those are both moral and ethical positions. I think what needs to be done is to find a framework, to find legislation which reflects the morality of Canadian society as a whole.

Whether those who strenuously oppose abortion in all circumstances can control enough of the votes in the House of Commons to determine the legislation or not, they should not do so. They should vote in a way, in my submission, which reflects the cross-spectrum of ethical positions which are held on this very important question of life and of children.

It is not an easy balance to strike, but I suggest that this legislation does not even attempt to do it. This legislation, far from trying to reflect the morality of Canadian society, basically tries to bypass it, tries to find a way that by putting water in the wine of both sides, the two sides can live with the legislation. Is that really good enough? Is there not right in the judgment of the Supreme Court of Canada the outline of a position which reflects the strong view that a woman's health and liberty requires that she have the decision-making power but at the same time recognizes the emerging interests of the foetus and invites the Parliament of Canada to come to grips with that, to define it and to give it legislative sanction? That is not done by this legislation. While, as I indicated at the outset—

[*Translation*]

on our side, we intend to consider the matter in caucus. Since our basic position is that this is a free vote, we will consider the matter, and the government will have our reply before the vote is taken.

[*English*]

Mr. Lewis: Mr. Speaker, I think you would find there is unanimous consent in the House to call it 1.21 p.m. in order to allow the hon. member for New Westminster—Burnaby, who is the lead speaker for the New Democratic Party, to start her speech after question period.

Mr. Deputy Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being 1.21 p.m., I do now leave the chair until two o'clock.

At 1.14 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

ANNIVERSARY OF FOUNDING OF SIKHISM

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, several Sikh temples in Toronto and elsewhere in Canada this weekend are commemorating the anniversary of the Guru Nanok, the founder of Sikhism.

By his very example, the Guru Nanok taught pacifism, tolerance, respect for others, co-operation, discipline and moderation; qualities I am sure that hon. members will agree are the hallmark of progressive, enlightened civilizations. Born into a world of strife; religious, racial and class antagonism; political and gender discrimination; the Guru Nanok sought to establish harmony and community among adherents of perceived rival religious groups.

He worked for equality among classes and between men and women, preferring to see individuals emerge by dint of unbridled energy and natural talent and driven by altruistic duty to community.

The Canadian community is enriched by the disciples to this monotheistic creed and welcomes their contribution and role to the development of our great nation.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I am pleased to point out the environmental leadership shown by *Les Teintureries Élite Ltée* of Drummondville. This company has just taken some concrete action by starting to build a waste water pre-treatment plant.

Mr. Speaker, this is the first textile mill in Quebec to acquire such a system.

Furthermore, they will receive no government subsidies for this project costing over one million dollars.

By acquiring the necessary equipment to treat its waste water before discharging it, this company is helping to protect the local environment and clean up our rivers and streams.

I am proud of the initiative shown by this family business which employs over 160 people and of its main spokesman, Lucien Morissette, for his role in preserving our environment. I trust that others will follow his example.

* * *

[*English*]

LOW LEVEL FLIGHTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, the Government of Canada is not only stalling on the Innu Labrador land claims, and also those in Quebec, but is trying to drive the Innu off the land before there is a decision. The caribou and other game are being chased away by low level flights. The Innu children are being terrified so they are unwilling to stay on the land.

The government claims that there are no permanent residents when it knows there are at least 1,500 who spend half the year or more there following their ancestral way of life and protecting their children from urban destruction.

They say, "Tell us where you are camped and we'll avoid you", but when the Innu tell them they do not avoid them because they use the same river valleys that the Innu use. When the commanding officer visited them the planes overflew them the next week.

The government has now published an environmental impact study that does not even give the location of the proposed bombing ranges which it claims are environmentally harmless.

The government spent $6 million on this study and is trying to prevent members of Parliament and Innu support groups from getting copies of it. There is no reading station for this study for all the people east of Montreal and the translation into the Innu language is being delayed although that is the most important language to be used in the study by the people who live there.

I call on the government to give at least $.25 million to the Innu study of this environmental impact statement so that it will be a little bit more fair than it has been.

S. O. 31

FORESTRY

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, Alberta must diversify its economy. One way to do this is to maximize the economic potential of our forestry sector. In Alberta a successful pulp and paper industry will create as many jobs as the energy boom of the 1970s.

While this economic growth is valuable, it is also important to recognize that our natural environment is limited in its capacity to sustain this growth. Both our economy and our environment are important. Recent announcements by industry have demonstrated its commitment to responsible development through investments in new environmental technology. This is a positive step.

Our challenge is to find a balance between greatly needed economic growth and responsible and reasonable consideration for the protection of our environment. Let's work together to support the concept of sustainable economic development. Let's work together to build a better future for our children. Let's work together for a better Canada.

* * *

MR. HAROLD MILLER

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise today to pay tribute to an outstanding Newfoundlander. On November 6, 1987, on a dark stormy night in the Atlantic, a crew member of the vessel *Atlantic Elizabeth* fell overboard, lost consciousness and was only saved from drowning by a shipmate who, at great risk to his own life, recovered the drowning sailor in heavy seas.

Nine years previously, on November 20, the Danish trawler *Remoy*, with a ship's company of 12, ran aground in Labrador on a dark stormy night with winds at 100 kilometres an hour and a temperature of minus 23 degrees centigrade. Three men voluteered to go to their rescue and through a death-defying feat of seamanship and courage they successfully and miraculously achieved the rescue in less than 12 hours after the *Remoy* ran aground.

One of the three brave men involved in this incident was the man who also rescued his drowning crew member nine years ago. Mr. Speaker, I speak of Mr. Harold Miller of Burgoyne's Cove in my riding. He was awarded the Cross of Valour for his 1978 incredible act of bravery at the age of 22 years, and for his 1986 repeated act of courage he was awarded the Medal of Bravery.

Nine hundred and fifty-eight people have received the Medal of Bravery. Fifteen people have been awarded the Cross of Valour. Mr. Miller is the only Canadian who has the extraordinary distinction of having been awarded both.

I am proud to have Mr. Miller as a constituent. On behalf of all Canadians I thank him and I would ask that my colleagues on all sides of the House join me in extending our congratulations to him.

Some Hon. Members: Hear, hear!

* * *

KOREAN WAR

Mr. W. C. Scott (Victoria—Haliburton): Mr. Speaker, Canada's participation in the First and Second World Wars has been well documented by our own Department of Veterans Affairs and by the private film companies across Canada.

Until now not very much has been produced on our country's participation in the Korean War between 1950 and 1953. As a matter of fact, within only the past few years we were all referring to that war as the "Korean conflict".

Today that has all changed. Our Korean veterans are Canada's youngest veterans and, thanks to the War Amputations of Canada and its chief executive officer, Mr. Chadderton, we now have the latest of their "Never Again" series of films called "Korea—Canada's Forgotten War".

This film shows viewers of the battle areas and the monuments to those who died in Korea. These are all part of our nation's history and, I am sorry to say, a war that up until now Canadians knew very little about.

This film, along with others produced by the War Amputations of Canada, expresses to all Canadians the thought on our minds during this particular time of the year: "In a war everyone suffers. We must never let it happen again."

This film will be shown on television across Canada on November 11. I urge all members and all Canadians to watch it in their homes with their families.

* * *

PAY EQUITY PROGRAM

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, a study released yesterday by the Canadian Centre for Policy Alternatives shows that even though women make up fully 73 per cent of the bank's full-time workforce, women in banking make only 56 cents for every dollar earned by male bank employees.

This government claims to care about employment equity and fair employment practices for women, yet it neglects to apply these principles to disadvantaged women under its own jurisdiction.

Pay equity is an essential component of any employment equity program. Four provincial jurisdictions already have pay equity programs while the federal government fails to act.

A number of groups working for equality, like NAC and the Employment Equity Coalition, have urged the government to amend its broadly flawed Employment Equity Act to include pay equity measures. They also urge the government to amend the legislation to include targets and timetables and an effective enforcement mechanism.

On their behalf I call on this government to amend the Employment Equity Act as soon as possible in order to give the women of Canada fair wages for their work.

* * *

CANADIAN BROADCASTING CORPORATION

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, the residents of northern Nova Scotia have been fighting for a long time to get Nova Scotia CBC television reception for their area. Currently only New Brunswick and P.E.I. signals reach this area, leaving northern Nova Scotia out of the mainstream of Nova Scotia business and provincial news broadcasts.

At a recent parliamentary committee the new chairman of the CRTC, Mr. Keith Spicer, agreed to research this problem to see if there was any solution. For many years the people of this area have been making the same request of the CBC and it is time the question was resolved.

• (1410)

I urge the new chairman to support this ongoing request for equal coverage. I appreciate his efforts to resolve the problem and look forward to a positive conclusion.

* * *

PAY EQUITY PROGRAM

Ms. Mary Clancy (Halifax): I rise today, Mr. Speaker, to express great disappointment in the state of gender equality in this country. As far as ending the wage gap between men and women is concerned, we still have a great deal of work ahead of us.

A study published today points out that women employed in Canadian banks make only 56 cents for every dollar paid to male employees. While women outnumber male bank workers 70 to one, there are virtually no women in banks' upper management.

The dinosaur of inequality is alive and well and thriving in Canada. In fact we can see that our efforts to eradicate the wage gap have been unsuccessful in far too many sectors. Unquestionably banks are simply a symptom of a much wider problem.

I challenge this government to examine the findings of this study to see where it has gone wrong, to address the problems of unfair employment practices in all sectors, but most particularly in the area of wage parity and wage equity, and finally put the dinosaur of discrimination to rest for good.

* * *

HEALTH CARE

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, modern chiropractic is the third largest primary contact health care profession in North America. The Canadian Chiropractic Association represents 2,600 practising chiropractors and each province has a representative association. The Canadian Memorial Chiropractic College in Toronto is fully accredited to international standards and has a combined enrolment of about 600.

Chiropractors pioneered the holistic approach to health care. They focus on the spine in relation to the total body and specialize in the understanding and treatment of its component bone structures, muscles and nerves. As partners in health care, they employ specialized diagnosis and support research into causes and treatment of back pain. Chiropractic is cost effective. Chiropractors are now recognized as prime contact

practitioners and play an integrated part in comprehensive health services.

* * *

TAX BENEFITS FOR NORTHERN AREAS

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, on October 27 the task force on tax benefits for northern and isolated areas was made public. At the request of the Minister of Finance, its mandate was changed in mid-term from revenue neutral to a deficit cutting measure.

If the recommendations are implemented as proposed it would mean the loss of $150 million in revenue for northern Canada and $5 million for 75 towns in northern Ontario, not to mention those that should have qualified in the first place.

I strongly urge the minister to totally ignore the recommendations of the committee, as it would create financial hardships in areas which are already underserviced. It would be a terrible blow to the morale of northern Ontarians who wholeheartedly strive to improve the quality of life in remote areas.

Moreover, we should be compensated for our efforts to bring prosperity in developing the natural resources which indeed do supply southern Ontario and the rest of Canada with forestry and mining products.

* * *

WESTERN DIVERSIFICATION PROGRAM

Mr. Doug Fee (Red Deer): Mr. Speaker, the western diversification program is helping entrepreneurs in western Canada. Last Friday I was privileged to officially announce, not grants but repayable contributions for four projects in the Red Deer area. All four of these projects are commendable, all will provide employment and improve or expand available services. One deserves special mention.

Every municipality in Canada should be aware that a Red Deer company has the North American rights for a process marketed under the name of Bomego-Dano. This process will take municipal waste; garbage and sewage, and treat it, recycle metals and glass and convert the bulk of the remainder to marketable humus material. The need for large, wasteful landfill areas can be dramatically reduced.

All politicians talk of the environment. Here is a process to do something to improve it and the western diversification program is helping.

* * *

AGRICULTURE

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, this morning the Minister of Agriculture released the government's white paper on agricultural policy. While the white paper is said to be for discussion only and not an indication of government policy, farmers will nonetheless be disappointed.

The biggest problem faced by the agricultural industry at the moment is farm debt. Billions of dollars are owed by Canadian farmers at a time of low prices, drought and unfair competition in the vital export market. Despite these facts, the white paper has virtually nothing to say about how the government intends to lead the effort to solve the farm debt crisis.

The Farm Credit Corporation holds hundreds of thousands of acres of Saskatchewan farm land. The Farm Credit Corporation policy continues to drive many farm families off their farms. Surely farmers and all Canadians deserve to know what the government intends to do to stabilize farm land ownership. Is it the government's intention to continue to sit idly by while the Farm Credit Corporation and other financial institutions force countless farm families to lose their livelihoods and their homes?

* * *

POINT OF ORDER

SUB JUDICE CONVENTION—SPEAKER'S RULING

Mr. Speaker: The Chair would ask the indulgence of the House to render a decision on the matter raised yesterday by the hon. member for York Centre relating to the *sub judice* convention. I realize that this is an unusual time of the day but my decision will, in any case, impact on Question Period and I believe I should inform the House before the Question Period begins.

I should also advise that whatever time is taken to give this ruling will be extended and the Question Period will be the usual 45 minutes in length.

Yesterday the hon. member for York Centre rose to ask a question which was based on statements made by a staff sergeant of the Royal Canadian Mounted Police in a court of criminal law relating to the budget leak of April, 1989. I said at the time that I appreciated the courtesy of the hon. member for York Centre in advising the Chair that he was going to rise on the question, and as hon. members will remember, I decided that it was not appropriate to proceed at that time. I expressed reservations because the matter was before a court of justice and the hon. member and others agreed to pursue a point of order after Question Period and present their argument that the *sub judice* convention should not apply in this particular case. I want to thank again the hon. member for York Centre and others for their co-operation on this delicate but important question.

I should first explain the issue that is of concern to the hon. member so that all hon. members and the public will fully understand the context in which this matter arises. It is alleged by the hon. member for York Centre that according to a sworn statement by a witness in a court of criminal law to the effect that the independent responsibility of the Royal Canadian Mounted Police to lay charges in criminal cases has been interfered with and the hon. member for York Centre wished to put questions to the Solicitor General and wished to have the Solicitor General answer to that specific allegation.

Against this desire to enquire further, the hon. member is confronted by the convention of this House that, and I quote: "Members are expected to refrain from discussing matters that are before the courts". I might emphasize that that is much more severely applied in the question of a criminal trial. The reason for this convention is to protect those persons who are undergoing trial and stand to be affected by whatever the outcome of the trial is. I point out that it is also because the trial may be affected by an exchange of debate in this place.

Yesterday the hon. member for York Centre argued that the convention should be suspended because the process by which charges were laid is, and I quote the hon. member, "not material to the criminal case now proceeding".

Speaker's Ruling

[*Translation*]

The Chair has also heard the arguments of the Hon. Member for Oshawa (Mr. Broadbent) and the Minister of Justice and Attorney General of Canada (Mr. Lewis). The Hon. Members for Windsor West (Mr. Gray) and Churchill (Mr. Murphy), as well as the Parliamentary Secretary to the Government House Leader, also expressed their opinion on this subject.

• (1420)

[*English*]

I have now since yesterday, reviewed all of the comments offered. I have also reviewed the transcript of the court proceedings, at least up until, I take it, close of court yesterday. My research delved into all of the precedents referred to in citation 336 of Beauchesne's fifth edition and also the report of the Special Committee on the Rights and Immunities of Members tabled in the House on April 29, 1977, which commented at length on the *sub judice* convention. I point out that while that report was submitted to the House it was never adopted by the House, but I have read the report in its entirety and most of the appendices attached thereto.

The precedents and rulings found in citation 336 of Beauchesne are very convincing. My predecessors, in cases of criminal proceedings, have applied the convention consistently. The British practice which was referred to by the Parliamentary Secretary to the Government House Leader is based on a very specific resolution adopted by the British House of Commons on July 23, 1963. That resolution in the British House gives their Speaker clear guidelines and specific authority. The Canadian House has never pronounced itself in such clear terms and I say to the hon. member for York Centre that I realize that he was recognizing that fact, at least to some degree, in his argument yesterday.

The committee did, however, comment on the role of the Speaker at page 1.11 of its report tabled in the House on April 29, 1977. It said:

> Your committee has given consideration to the role of the Speaker in the application of the convention. It is submitted that while there can be no substitute for the discretion of the Chair in the last resort, all Members of the House should share the responsibility of exercising restraint when it seems called for.

Speaker's Ruling

Beauchesne's fifth edition, citation 339, comments on this part of the report and adds that the Speaker should remain the final arbiter.

In the present criminal case of *Regina v. Normand Belisle, John Appleby and Douglas Small* the defence has put forward a motion for an order staying all proceedings, claiming that there has been an abuse of process. I repeat, the defence has put forward this motion.

A witness has been heard, or at least partially heard, and that specific matter as to what that witness testified and what flows from it has yet to be decided by the court. This obviously is an important step for the defence with considerable consequences for the accused, whatever the court may eventually decide. The issue the hon. member and other hon. members wish to raise in the House is the same issue the court is seized of and which that court must decide.

However, the hon. member for York Centre and others wish to raise the matter in questions to the Solicitor General. The Chair has some difficulty in accepting the argument of the hon. member for York Centre that such questions would not be material to the criminal proceedings under way where, as I have remarked, the present testimony is in support of a defence motion.

As a consequence, the Chair is unable to accept the argument that somehow the proceedings in this criminal trial can be split into that part to which the convention of *sub judice* applies and another part where it does not apply.

There is no doubt that the House has a fundamental right to consider matters of public interest, but by our convention on matters before the courts the Chair has the duty to balance that legitimate right of the House with the rights and interests of the ordinary citizen undergoing the trial.

Therefore, after reflection on the matter and in the light of the decisions taken by previous Speakers, I have decided that the *sub judice* convention should apply in this case for the time being. The hon. member for York Centre will have further opportunities to pursue any related issues he may wish, and I include along with the hon. member for York Centre other hon. members, when the trial is over.

I will also take this opportunity to rule on the question of privilege raised earlier this morning by the hon. member for Oshawa. The hon. member claimed that the evidence given at the criminal trial yesterday by Staff Sergeant Jordan of the Royal Canadian Mounted Police is at variance with evidence given by the Commissioner of the Royal Canadian Mounted Police before the Standing Committee on Justice and Solicitor General in June of this year. Consequently, it was argued that there has been a contempt of this House, or that a contempt of this House may have occurred.

I listened carefully to the arguments that were made and I reserved because the matter appeared on the surface to be linked to the point of order on which I have just ruled. On reflection, however, and in keeping with the House practice, I must find that there is no prima facie evidence of a contempt. There appears to be a discrepancy with respect to certain things that were said in two different places, but it is clearly up to the standing committee to pursue this matter if it so chooses. The committee is the competent body to review evidence given before it and should report to the House if it finds any breach of its authority. I must say to the hon. member for Oshawa that it would at least be premature for the Chair to rule now on this matter.

[*Translation*]

These matters are important and often very complex. They are sometimes even difficult for the Chair.

I wish to again express my gratitude to the Hon. Members concerned for their cooperation and their patience.

[*English*]

I also want to express my appreciation for the very helpful and dignified way these arguments were brought to the Chair both yesterday and today. I think we also appreciate the very hard work which was done by our Table Officers last night and early this morning in order to assist the Chair to be able to return and give this ruling as expeditiously as possible.

It may well be that, given the fact that there was a committee report in 1977, hon. members will want to look at this matter further. I, of course, invite them to do so and in that respect I am very much the servant of this place.

Mr. Turner (Vancouver Quadra): Mr. Speaker, we have noted your judgment and the words for the time being and we reserve our right, of course, to pursue this matter when the judgment is rendered by the court on the issue of political interference with the Royal Canadian Mounted Police.

ORAL QUESTION PERIOD

[*Translation*]

MEMBER OF THE SENATE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Solicitor General and concerns the activities of the Senator Michel Cogger, who just stated in the Senate that he wants his inquiry before the Senate postponed until there has been a police investigation.

My question does not concern the operations that attracted the attention of the RCMP last week but a case of which the RCMP and the government have been aware since last January.

Mr. Speaker, I have a copy of a bill for $110,000 and dated February 1, 1988, sent by Senator Cogger to a company called GigaMos. According to the bill, this amount was in payment for, and I quote: "General, corporate and governement relations consulting fees from December 1986 to date, including more specifically: intensive representations—numerous telephone conversations, meetings and discussions with, among other people, Charles McMillan, adviser, and Bernard A. Roy, Principal Secretary to the Prime Minister of Canada".

Could the Solicitor General inform the House whether the RCMP, which has been aware of this matter for ten months, has conducted an investigation to find out whether Senator Cogger violated the provisions of Section 124 of the Criminal Code, and if so, what the results were of this investigation?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, the Hon. Member ought to know that it is not customary for the Solicitor General, whoever he may be, to comment on investigations that may or may not have been conducted by the RCMP. I think we should respect the work done by the RCMP and let them do their job.

If the Hon. Member has any charges to make of any comments, he should go to the RCMP himself and give them the facts that were brought to his attention.

• (1430)

Mr. Turner (Vancouver Quadra): Mr. Speaker, I think the Solicitor General should take a look at this bill for services rendered by the senator and draw his own conclusions. In any case,—

[*English*]

I want to put a question to the Prime Minister. We are talking about the way in which the Prime Minister's office deals with the senator who just happens to be a law school friend of the Prime Minister and who was his leadership campaign chairman and co-chairman of the 1988 campaign.

I want to know from the Prime Minister whether he was made aware at that time that Senator Cogger was lobbying his principal secretary on behalf of GigaMos Corporation, and whether the Prime Minister was aware that Senator Cogger intended, and later submitted a bill, to GigaMos Corporation for $110,000?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I believe that this information came to light during the course of the last year. It was made public many months ago, during the course of a civil trial in Montreal. It was commented upon by the principals at the time. There was a list of witnesses who were called or were to have been called. A judgment has already been rendered by the superior court of Quebec.

I think that the matter has been disposed of, but if there is an appeal, so be it.

Mr. Turner (Vancouver Quadra): The senator was not party to that action. He was involved by way of evidence introduced in that action, which was a civil action.

I am talking about the way that the Prime Minister deals with a senator who just happens to be a long-time friend and a long-time political associate. Can we have the assurance of the Prime Minister that he will advise the House of whether he was made aware of the entreaties and lobbying of Senator Cogger with his principal secretary, for a fee? Can we have the assurance of the Prime Minister that in relation to matters currently under investigation by the RCMP concerning Senator Cogger—and we have not been able to obtain from the Solicitor General whether the events of 10 months ago were ever investigated—in the current context that

RCMP officers conducting the investigation will not be subjected to political pressure from the government?

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, the Solicitor General has already responded that the Royal Canadian Mounted Police is quite properly initiating its own inquiry into this matter and, no doubt, will do whatever it deems appropriate, as it always does in the course of these matters—

Some Hon. Members: Oh, oh!

Mr. Nunziata: Depending on who the defendant is.

Mr. Mulroney: Only the Liberals would suggest that the Royal Canadian Mounted Police has been manipulated for partisan purposes.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Only a Liberal would suggest that. I tell you, Mr. Speaker, I think I could be certain of one thing. I will take the reputation for independence and incorruptibility of the RCMP above the Liberal Party 10 times out of 10.

Some Hon. Members: Hear, hear!

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to ask the Prime Minister a question about the damage control program relating to Senator Cogger.

The Prime Minister will be aware of Senator Cogger's statement made in the other place earlier today. Yet on November 3, while the Prime Minister was fully aware that an RCMP investigation was going on into the activities of Senator Cogger, the Prime Minister said the following: "An allegation has been made against him"—that is the senator—"and he has denied it. Not only has he denied it, he has invited the Senate to examine his conduct. What could be more forthcoming than that? I think it is the proper way to proceed".

In light of the Prime Minister's feeling that a Senate inquiry was the proper way to proceed while the RCMP was doing its work, I would like to ask him what has changed. Why is it that the senator is no longer prepared, or in favour, of having the inquiry which was considered the proper way to proceed three days ago?

Mr. Epp: That is not what he said.

Right Hon. Brian Mulroney (Prime Minister): That is not what the senator said at all. Moreover, my friend says that the senator invited the Senate to examine his conduct, which he did. I thought that was an entirely appropriate thing to do.

The senator has advised the public that subsequent to his request for this kind of an inquiry he was informed via the Solicitor General in the House that the RCMP was going to conduct an independent investigation. As I read the senator's statement today, all he is saying is inasmuch as the RCMP has decided to initiate its own independent investigation, let it pursue that investigation to its end and hold in abeyance the Senate inquiry until such time as the RCMP has reported.

What could be more forthcoming and more objectively honest than that?

Mr. Kaplan: Mr. Speaker, could the Prime Minister then tell the House what he knows about the RCMP investigation that we do not?

Mr. Mulroney: Mr. Speaker, I do not know a single thing about the RCMP investigation, except for the fact that one was acknowledged by the Solicitor General. All I know is that the RCMP—

Mr. Boudria: You just said there was one.

Mr. Mulroney: Mr. Speaker, I am trying to give an answer to an important question. I have been asked the question; I have responded to it fully. The Opposition asks important questions that could have damaging effects on members' reputations. They presume not innocence, but guilt. When I rise, pursuant to their request, to re-establish the facts, they try to shout me down. That is a denial of justice.

Some Hon. Members: Oh, oh!

* * *

FISHERIES

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, my question is to the Minister of Fisheries concerning the announcement yesterday that Canada would accept the ruling of the binational panel on west coast salmon and herring.

On October 23, the Minister for International Trade stated in the House that financial compensation to the Americans is "an option that is being looked at". This is

the route that both the industry workers and the fisheries council in British Columbia have agreed is the only acceptable response to the decision of the panel on west coast salmon and herring. Has the minister eliminated this option as a way of complying with the ruling?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I believe my statement, made jointly with the Minister for International Trade yesterday, speaks for itself.

Canada is assured that the findings of the free trade panel, the first one commissioned under the historic free trade agreement, can be supported by Canada because we are satisfied that our conservation and management requirements will be met, while permitting some small part of the Pacific salmon or herring catch to be exported only on conditions equivalent to those we require to manage all fish landed in the west coast fisheries.

Mr. Stupich: Mr. Speaker, according to press reports yesterday the government has accepted the free trade panel's decision ensuring American exploitation of our fishery resource. Will the minister explain how he could reach such a decision, given the fact that there is no implementation plan in place? How does the minister plan to monitor the repercussions of this ludicrous decision?

Mr. Siddon: Mr. Speaker, this is an important question. Canada will ensure the integrity of our management system to properly conserve this important Canadian resource.

If the hon. member would read, I believe it is, section 718 of the panel report, he would find that the panel gives Canada broad latitude within which to establish a range of management measures to ensure that fish caught in Canada will be counted by Canadians in a fail-safe way before being exported.

• (1440)

Mr. Stupich: Mr. Speaker, the minister did not say how he is going to count the ones that are being exported.

The minister and his colleague, the Minister for International Trade, have said repeatedly that no jobs—and this is a direct quotation from this minister—"historically established" would be lost as a result of any decision under the GATT or the free trade agreement.

Will the minister now guarantee to this House, and to industry workers concerned, that no Canadian fish processing jobs will be lost as a result of his government's cave-in to the U.S.?

Mr. Siddon: Mr. Speaker, the hon. member and his party continue to promote the myth that this set of management requirements has something to do with protecting jobs. That matter was resolved many months ago when Canada accepted a GATT panel's finding that we had to play by the rules of international trade if we wished to trade in the international market-place.

I can assure the hon. member that in the five years this government has been in office there have been year over year more processing jobs in the Pacific coast fishing industry than in each previous year. In an era of liberalized trade where we will have access to more foreign markets, not less, by playing by the rules of international trade, there will indeed be increasing employment in British Columbia for fishermen and process workers.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the members' attention the presence in the gallery of Her Excellency Corazon Aquino, President of the Republic of the Philippines.

Some Hon. Members: Hear, hear!

* * *

FISHERIES

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I, too, want to address my question to the Minister of Fisheries and say to him first that he has nothing but a record of negligence and surrender in defending the interests of the fishing industry of this country.

Some Hon. Members: Order.

Mr. Speaker: I know the hon. member feels very strongly about this, but he seems to be going a little bit beyond an appropriate preamble. Perhaps the hon. member could put his question.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, let me put a question to this minister, so-called.

The fact of the matter is that he has now surrendered the sovereign right of Canada to manage its own resource.

Some Hon. Members: Order.

Mr. Speaker: I ask the hon. member to put his question.

Mr. Axworthy (Winnipeg South Centre): It is too bad their brain power does not match their voice level.

Mr. Speaker, the question to the hon. minister is this. In this case, can the minister tell us, now that the precedent has been set and we have lost control over the management of that vital resource, how we are going to protect the interest of the east coast fishery, which is now vulnerable under Article 1205 of the free trade agreement and will now be subject to the same attack by the Americans to take away the right of Canadians to preserve, conserve, and process their fish on their own shores?

Mr. Siddon: First of all, Mr. Speaker, it is rather strange the hon. member would talk about negligence when he has neglected to concede that Canada has been a big victor, that we have realized great gains as a result of the free trade agreement with tens of thousands of jobs being created in Canada. I think he should begin to tell Canadians the truth in that respect. Tens of thousands of new jobs have been created in western Canada as a result of the free trade agreement.

Had the hon. member read the free trade panel report, and if he had consulted Section 716 in particular very carefully, he would have realized that Canada has sacrificed nothing in regard to our sovereign right to manage our fish stocks, and that prerogative remains solely with the Government of Canada and with the Minister of Fisheries, as reflected in the free trade panel report.

* * *

CANADA–U.S. FREE TRADE AGREEMENT

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, while we are dealing with the question of that Minister's negligence, I would like to ask the Prime Minister about another serious omission by one of his ministers.

This morning Mr. Halliday, the chief negotiator on the subsidy rounds of negotiations under the FTA, admitted that he has received no instructions whatsoever from the Minister for International Trade indicating what subjects should or should not be negotiated by Canada. In other words, everything is up for grabs—regional programs, our agricultural programs, our health programs, our social programs. They are all subject to the negotiation because we have a negligent minister not giving instructions.

Will the Prime Minister forthwith take action to correct that serious omission, issue guidelines clearly indicating what the guidelines are for our chief negotiator and state today in the House that the crucial programs affecting regional development, agriculture, unemployment insurance and social programs will not be negotiated in this round of the free trade deal?

Right Hon. Joe Clark (Secretary of State for External Affairs): We have all learned long ago, Mr. Speaker, that when the hon. member has nothing to say he engages in abuse. He is now seeking to abuse a public servant who appeared before the committee. The public servant made it quite clear in his testimony to that committee that we are in a very preliminary stage of discussion with the United States, that there will not be the beginning of those kinds of bilateral discussions until the conclusion of the MTN round. The hon. member knows that. If he would pay more attention to the facts and less time trying to create false fears in the country, we would all be better served.

* * *

AGRICULTURE

Mr. Maurice Foster (Algoma): My question is for the Minister of Agriculture. Press reports indicate that Congressman Dan Rostenkowski, the chairman of an important trade committee in the United States Congress, has asked the International Trade Commission to gather data on subsidies paid to Canadian Durum wheat producers. Surely, this constitutes harassment by the United States administration and Congress.

What action is the Minister going to take to respond and take action to stop this harassment by the United States Congress and administration? He brought out a paper this morning entitled *Growing Together.* He did not reveal how he was going to stop this harassment by the United States government.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, under the U.S. trade law they have the right to examine these kinds of issues. Canada is very confident that the results of that investigation will clearly demonstrate that U.S. producers are subsidized to a greater extent than Canadian producers. That has been confirmed under the free trade agreement and ratified both by the Secretary of Agriculture and myself.

Mr. Foster: When the free trade deal passed the House of Commons, the government turned down an amendment which would have given Canadian agriculture producers and other producers in this country the same kind of tools that the United States administration and producers have. That is to say, they could have a government agency like the International Trade Commission gather data and monitor exports so as to harass them.

Is the Minister willing to take action or bring in similar legislation to that provided to the United States producers where they can simply ask a government agency to start to gather information and to monitor a situation so as to harass those producers?

Mr. Mazankowski: I find it incredible. I do not know what this member has against success. If he looked at page 28 of *Growing Together*, he would find that the United States is now one of the top five agriculture markets that Canada has. That is the record that we have and that is going to continue. It is being augmented by the free trade agreement. Why does he want to condemn our best customer?

* * *

• (1450)

[*Translation*]

THE SOLICITOR GENERAL

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is directed to the Solicitor General. Mr. Speaker, in the summer of 1988, some very serious charges of influence peddling were brought against the former Member for Chambly, Mr. Richard Grisé. However, search warrants were not issued until November 21, several months later. Considering very serious charges of political interference in a recent case, I would now like to ask the Solicitor General whether he could inform the House today about the reasons for postponing action until November 21, in a case of that magnitude.

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I repeat that despite statements that were made earlier, the RCMP is an honourable police force that acts without political interference. I would like to refer to what the RCMP Commissioner said himself in June before a committee of this House. He was very emphatic about this. And I believe that in order to protect the integrity of this police force, we must let them do their job and conduct their investigation as they see fit, with the utmost integrity. That is how a police force should founction in a country like Canada.

[*English*]

Mr. Robinson: Mr. Speaker, that is exactly the point. We in this country want to allow the RCMP to do their job without political interference. That is the purpose of this motion, without suggestions that charges were a fragile construction to bring about prosecution.

My supplementary question is this. In light of the very, very grave concerns that have been raised recently with respect to possible political interference in the operations of the RCMP, I want to ask the Solicitor General whether he is prepared to review the record in the case of Richard Grisé and to very carefully examine why there was a delay from the summer of 1988 until November 21, the day of the election before search warrants were issued. Will he assure that there was no political interference?

[*Translation*]

Mr. Blais: Mr. Speaker, I fail to see why the Hon. Member chooses to ignore what the RCMP Commissioner said. The Commissioner is not just anyone. He is in charge of RCMP operations. Does the Hon. Member refuse to believe the RCMP Commissioner when he says before a committee of this House that there is absolutely no interference? Well, I do believe the Commissioner when he says that.

[*English*]

AGRICULTURE

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, my question is for the Minister of Agriculture. This morning the minister released a discussion paper entitled *Growing Together* which was described as the most comprehensive agriculture review ever undertaken in Canada.

It is fine to speak of change, but the farmers of Canada need to know that the government is truly committed to a new agricultural policy. How does the minister now intend to proceed in translating the principles of this report into much needed agricultural programs?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, what has been tabled today is the beginning of a process and not the end of a process. It is inviting all stakeholders in the agriculture and agri-food industry to participate and work together to develop some solutions to some very important issues that confront agriculture, not only today, but indeed in the future. We have changes in the global trading community. We have changing consumer demands, changing emphasis on food safety and environmental considerations, and the need for adequate safety net systems. What is proposed here is a national agricultural conference which will take place in Ottawa on December 11 and 12. At this time all stakeholders will meet to review some of the very important issues that are outlined in this document.

Together we can build a stronger, more durable and more vibrant agricultural industry.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Prime Minister. Recently, the chairman of the finance committee, the member for Mississauga South, wrote a letter in reference to the manufacturers' sales tax to a Mr. Conway in Point Claire, Quebec. It states:

> You will appreciate that we have been stealing money from the consumers—with the federal sales tax. This year we will be stealing $17.3 billion without most people knowing about it.

Does the government agree with this characterization of the MST? If so, is it guilty of aiding and abetting, having raised the MST four times since 1984?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I want to thank the hon. member for drawing the attention of the House to one of the finer letters of the member—and one of the more moderate.

What I think the member was trying to say, perhaps in his own inimitable fashion, was that Canada is the only country with a manufacturers' sales tax, that there are 48 of our leading competitors who have the equivalent of the GST, and it is time we moved into the next century and got a GST rather than the old MST.

Mr. Martin (LaSalle—Émard): Mr. Speaker, since the Prime Minister accepts the vocabulary of the member for Mississauga South, I am sure he will accept his characterization of the GST. He stated:

> We may have been gouging and screwing you. Now you know we are gouging and screwing you.
>
> Perhaps if some people know that they are being gouged and screwed they will make less demands on government.

Some Hon. Members: Hear, hear!

Mr. Martin (LaSalle–Émard): Mr. Speaker, I hope my mother isn't watching.

Mr. Speaker: I think your mother hopes you will stop reading.

Some Hon. Members: Hear, hear!

Mr. Martin (LaSalle—Émard): Mr. Speaker, my question for the Prime Minister is this. Does he agree with this rather succinct and concise description of his government's economic policy?

Mr. Mulroney: Mr. Speaker, inasmuch as my mother watches this I wouldn't even touch that with a ten-foot pole.

But I know my hon. friend from Lasalle—Émard will want to thank the member for Mississauga South for having provided him with some of his finer lines.

I think the very distinguished chairman of the finance committee of the House has been effective to the point where he has obscured some of the members of this cabinet, and that is pretty tough to do.

I think the member in his own inimitable fashion has been an outstanding member and chairman, but he expresses his enthusiasm in ways rather more vigorous and descriptive than some of us would like.

Mr. Douglas Young (Gloucester): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact that he has made the comment that the goods and services tax is in effect in some 45 countries around the world—

Some Hon. Members: Forty-eight.

Mr. Young (Gloucester): I am just quoting the Prime Minister, Mr. Speaker, who said 45.

Some Hon. Members: Forty-eight.

Mr. Young (Gloucester): My question is this. One of the countries that does not have a goods and services tax is the United States of America.

• (1500)

I would like to ask the Prime Minister if he can explain to us now why he is not prepared to withdraw this tax, in view of the fact that the 10 premiers he will be meeting over the next couple of days have already indicated their opposition to the tax, and in view of the fact that our major trading partner, the United States, has not seen fit to impose a goods and services tax?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this is a sovereign nation and we impose the tax policies that we deem to be in Canada's national interest.

The fact that the United States does not have the tax does not impact in any way. The needs of Canada are entirely different. Our desire is to maintain the unique social programs, our regional development programs, medicare—all of the things on which we campaigned and were strongly re-elected. The GST will help us do that well into the next century. We want to do more for the people of Canada and this tax instrument is more modern, more effective and more just.

Mr. Young (Gloucester): Mr. Speaker, I guess it is important that we can say that the GST is in 48 other countries, but it does not matter whether the United States has it or not.

In view of the fact that we are dealing with economic matters at the First Ministers' Conference, and in view of the fact that the premiers across the country—if we are going to talk about the sovereignty of Canada—have all opposed the goods and services tax, will the Prime Minister indicate today to the House whether or not he is going to withdraw the proposal that is presently before the Standing Committee on Finance and allow for open and fruitful discussion at the economic meeting with the first ministers of Canada?

Mr. Mulroney: Mr. Speaker, first, the member wants us run by the Americans, then he wants us run by the provinces. We will speak for Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: His good friend and former colleague, the Premier of New Brunswick, said at the premiers' conference in Quebec City in August that it would be the height of irresponsibility if the premiers came together for a couple of days and failed to come up with an alternative to the goods and services tax; it would be extremely irresponsible if all they did was try and denigrate the federal initiative. Premier McKenna was absolutely right. All they did was denigrate the federal level. They came up with no alternative.

We have an alternative. We believe it is very much in Canada's interests. We are stopping the negative and destructive attitude of penalizing production in Canada, penalizing the creation of jobs and we are trying to make Canada a much more competitive nation. I know at the end of the day my distinguished colleague from New Brunswick will applaud the Government of Canada.

* * *

AGRICULTURE

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, my question is for the Minister of Agriculture. Honey producers in the riding of Elk Island depend on the tripartite stabilization program to ensure the success of their operations. While they realize that this program involves not only the federal government but also provincial governments, they are hoping for a payment fairly soon. These people are important.

When can the honey producers expect the payment?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I can advise my hon. colleague that there will be a payment made under the national tripartite stabilization program for honey. It will be in the equivalent of 8.8 cents a pound. The amount across the country will yield some $5 million, more or less. The cheques are in the process of being issued now, so he can

deliver the good news to his constituents in Elk Island this afternoon or this weekend.

* * *

DRYDEN INQUIRY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport. Canadians have been watching with interest as the drama around the Dryden inquiry has unfolded during its first phase.

News reports now have it that Justice Moshansky is recommending that the Government of Canada revise its regulations on de-icing of commercial airplanes to make de-icing mandatory rather than being left to the discretion of the pilot who may be subject to undue pressure to be on time in order to keep the company schedule.

Does the minister agree with this proposal and, if so, when will these regulations come into effect?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, Mr. Justice Moshansky has not yet tabled his report, and I have not received a copy. When it will be done, I will consider the report and make it public. It is not a fact yet.

Mr. Angus: Mr. Speaker, the minister should be aware, as most of us commute to Ottawa by plane are, that we are well into the icing season.

Regardless of whether or not he has received that recommendation specifically from the justice involved, will he take immediate steps to implement the concept of the recommendation and ensure that de-icing is mandatory, not something that is left to the whim of the pilot?

[*Translation*]

Mr. Bouchard (Roberval): Mr. Speaker, as I said before, when the report is tabled by Judge Moshansky and I receive the report, I will consider its recommendations, and as the government usually does in a case like this, we will act on those recommendations, and of course we cannot do so until we receive the report.

[*English*]

VIA RAIL

Mr. Joe Fontana (London East): Mr. Speaker, my question is to the Minister of Transport. Today, mayors of the Quebec-Windsor corridor representing some 14 million Canadians who have shown that they want, need and use VIA Rail, appeared before the transportation committee. They told us that VIA Rail is part of the solution, not part of the problem to the transportation needs of this country.

If the minister does not wish to eliminate passenger rail service in this country, and if he does not want the public to see his Royal Commission on Transportation as simply performing an autopsy on VIA, will the minister cede to the mayors' common-sense request for an immediate moratorium on all cuts to VIA Rail until such time as the royal commission has presented its findings?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I met the mayors just before Question Period and it was interesting. They had three proposals. The first was to consider if the decision is made what we would do with the equipment. I said I would consider their proposal. The second was to deal with the royal commission and to have a voice at the royal commission and I gave the same answer. The third one was the moratorium. The moratorium represents $200 million and I told the mayors that I don't have that money.

Mr. Fontana: Mr. Speaker, today we have been given reports that at this very moment VIA is preparing to sell off one-third of its passenger car fleet, some 260 cars. I am wondering how the minister can stand idly by and watch VIA rolling stock and the Canadian taxpayers' investment being squandered away.

Will the minister call upon VIA Rail to stop committing slow suicide today, and not sell off its cars until we know for sure whether or not we will need them?

Mr. Bouchard (Roberval) Mr. Speaker, if my friend would well understand what I said before, I said that it was one of the proposals made by the mayors. I said that I would get in touch with VIA Rail to see exactly where it

is on this subject. I said also that I would consider the proposal. I think that is the answer the member wants.

* * *

EAST GERMANY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Immigration and it concerns the continuing mass exodus of East Germans to the West.

A month ago in the House in response to a question that I posed, the minister promised on a priority basis to deal with the German Canadian community in signing a master agreement through which to sponsor East Germans. On October 26 the minister, in a meeting with the Canadian German Congress, flatly refused this request.

Why has the government refused to support such a comprehensive group sponsorship package by the German Canadian community when it enjoys overwhelming support throughout Canada and when the community is prepared to take full responsibility for it?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, when I met with the German Canadian Congress I expressed to them, as I would express in the House today, our interest in helping in any way we can with the situation of the East Germans who are leaving East Germany.

As the hon. member knows, these people automatically have citizenship in West Germany which is what most of them are seeking. We are prepared to help in any way we can. I have offered and discussed with the German Canadian Congress a master agreement to help bring East Germans here. We will pull out all the stops to help the Canadian German Congress and the East Germans who think they would like to live in Canada.

Mr. Marchi: Mr. Speaker, the fact of the matter is I do not know where she is pulling out all the stops, because no one has seen the stops yet.

The minister has told the Canadian German Congress that she is only going to be interested in helping independent applications, which is no help because that is part of the criteria anyway. Given that previous governments in historical movements in eastern Europe, be it in Hungary, Poland or Czechoslovakia, have permitted thousands of migrants to come to Canada, why has her immigration policy completely ignored the historical movements going on in eastern Europe today, ignored the pleas and requests of the Canadian German community, and ignored and refused to be a relevant player in the unfolding drama in eastern Europe? Why, Madam Minister?

• (1510)

Mrs. McDougall: Mr. Speaker, I think that our government has been quite the reverse on the events that are going on in eastern Europe, whether it is in East Germany, Poland, Hungary or in other countries.

The Secretary of State for External Affairs, the Prime Minister, and myself have all been very active in putting forward things that Canada can be doing to help. That includes immigration and it includes all of eastern Europe, not just East Germany.

* * *

AGRICULTURE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is to the Minister of Agriculture who tabled a document this morning outlining a review of Canadian agricultural policy that does not address the main problem facing rural Canada, notably unsustainable farm debt.

Why did the minister choose to ignore this growing problem, especially since the immediate impact of his market-driven policy paper that he advocates would make the debt problem even worse?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the fact of the matter is that we have not overlooked the problem nor do we intend to in the future.

What is a fact is that farm arrears have been reduced this year over last year by 21 per cent. Farm bankruptcies have dropped by 41 per cent in 1989 versus 1984. So there is progress.

In September, we placed a moratorium on foreclosures. In January 1985, we put an $80 million, 4 per cent interest rate reduction program into effect. In 1985, we introduced shared risk mortgages. We established the Farm Debt Review Boards. Well over 6,000 accounts have been handled, 75 per cent successfully.

The commodity base loan program was brought in as well in 1986. In December, 1987, a total of $360 million was conveyed to the Farm Debt Review Board, again to assist this very serious problem.

In July, 1988, $400 million was plugged into the Farm Credit Corporation. We have a tremendous record and we will continue to do more in this regard.

Some Hon. Members: Hear, hear!

Mr. Althouse: Mr. Speaker, given that the Farm Credit Corporation is behaving more and more like the banks with more foreclosures thus creating more downward pressure on land prices which creates more foreclosures again because the debt to equity ratio goes down, can the minister explain why he supports the continuation of this kind of policy when it simply is not working?

Mr. Mazankowski: Mr. Speaker, I will take that as a representation because it is obvious the NDP does not want the Farm Credit Corporation to be an instrument of farm policy. I will certainly take that into consideration.

* * *

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, there have been discussions among the parties relating to government business for the remainder of this week. I think you will find that there is unanimous consent for the following arrangements. I move the following motion:

That, on Wednesday, November 8, the House, as its first order of business under Government Orders will resume second reading consideration of Bill C-43, an act respecting abortion; that at 6:00 o'clock p.m., this debate will be adjourned to another sitting day so that the House can then move to resume and complete third reading consideration of Bill C-20, An Act to amend the Excise Tax Act and the Excise Act; that any recorded divisions demanded to dispose of the third reading stage of Bill C-20 will be deferred automatically to 12:00 o'clock noon on Thursday, November 9, 1989 and that the hours of sitting for that day shall be extended by the amount of time taken for any such deferred division;

That, on Thursday, November 9, 1989, the hours of sitting and business of the House shall be as set out in the Standing Orders in relation to a Friday sitting day;

That Thursday, November 9, 1989, be designed an allotted day; and

That, when the House adjourns on Thursday, November 9, 1989, it shall stand adjourned until 11.00 o'clock a.m., Monday, November 20, 1989.

Mr. Speaker: Does the hon. government House leader have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

Mr. Gauthier: Mr. Speaker, I indeed can confirm that there have been negotiations and that we have agreed to the motion, but you can take the opposition's word that I do not think we have to put into the motion that Thursday, November 9, be designated an allotted day for a motion which shall not come to a vote. We would like to see that withdrawn from this motion. That it not come to a vote, Mr. Speaker, you can have my word and the word of this caucus, if it is our day, we will decide that.

Mr. Gray (Windsor West): Mr. Speaker, I want to add another point to the very important point made by my colleague, the Chief Whip. It should be understood that the time taken for any division on Thursday noon must be added to the Opposition Day time. In other words, the time for the division should not reduce the time otherwise available for an Opposition Day.

Mr. Lewis: Mr. Speaker, this motion was agreed to by all three parties. Unfortunately, and this will not happen again, it is not initialled by all three parties. I agree to both the suggestions of my colleagues opposite.

Mr. Speaker: By unanimous consent, Mr. Lewis moves:

That, on Wednesday, November 8, 1989, the House, as its first order of business under Government Orders, will resume second reading consideration of Bill C-43, An Act respecting abortion; that at 6.00 o'clock p.m, this debate will be adjourned to another sitting day so that the House can then move to resume and complete third reading consideration of Bill C-20, An Act to amend the Excise Tax Act and the Excise Act; that any recorded divisions demanded to dispose of the third reading stage of Bill C-20 will be deferred automatically to 12.00 o'clock noon on Thursday, November 9, 1989 and that the hours of sitting for that day shall be extended by the amount of time taken for any such deferred division;

That, on Thursday, November 9, 1989, the hours of sitting and business of the House shall be as set out in the Standing Orders in relation to a Friday sitting day;

That Thursday, November 9, 1989, be designated an allotted day; and

That, when the House adjourns on Thursday, November 9, 1989, it shall stand adjourned until 11.00 o'clock a.m., Monday, November 20, 1989.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Lewis that Bill C–43, an Act respecting abortion, be read a second time and referred to a legislative committee.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I rise today to speak against Bill C–43. This is an act to recriminalize abortion.

I feel that this bill is the very height of government hypocrisy. The bill would jail medical doctors for two years for performing a medical service, unless vaguely defined health criteria enshrined in criminal law are met. Women are also liable for criminal penalties under Section 21 of the Criminal Code for aiding and abetting in the commission of a crime. Abortion under circumstances described by several Supreme Court justices as valid reasons to have an abortion will now be one such criminal offence.

I understand the pressure that the government is under. Some people have called for criminal legislation in this area. The Leader of the Official Opposition, the Leader of the Liberal Party, has called for criminal legislation in this area. Several ministers and backbenchers have called for criminalization on abortion.

Some think that this bill should be a free vote because they say that it is a matter of conscience for the members of this House of Commons to decide. I believe that it is a matter of conscience for each individual woman to decide, not for the members of this House.

The Minister of Justice in his justifications for this bill said this legislation would prevent people who are not doctors from performing an abortion. This is an example of the hypocrisy that I have spoken about.

The Criminal Code already deals with the performance of surgical procedures. No one can practise medicine in Canada without a licence. There already are penalties in the Criminal Code.

The Minister of Justice was quoted in *The Globe and Mail* on November 4 as saying that a deliberate decision was made to legislate by an amendment to the Criminal Code. Only by using the criminal law power can the federal government ensure a national approach to the question of abortion.

This bill does not provide a national approach to the issue. It allows provinces to pass restrictive laws to block access to abortion services just as we now see happening in the province of Nova Scotia. It does not set a national standard for accessibility.

The federal government sets standards for accessibility for other medical procedures through the Canada Health Act. The Minister of Justice cannot get away with saying that accessibility to health services is not a federal matter. The Canada Health Act is a federal statute that guarantees accessibility to medical services under threat of partial or complete withdrawal of federal funding for health care to the provinces. The Canada Health Act has already been used to guarantee that Canadians across this country could not be extra billed. The only national standard that this bill sets is the threat of criminal charges being brought against Canadian doctors for performing an abortion.

• (1520)

In the province of Prince Edward Island no abortion has been legally performed since 1982. Women from that province must go to Nova Scotia or another province to obtain an abortion. The Morgentaler clinic in Montreal has served women from as far away as Newfoundland. In Newfoundland there is only one doctor who is willing and allowed by a hospital board to perform abortions. When this doctor is ill or away on vacation no safe medical abortions are available in the province of Newfoundland.

Access to clinics in cities are physically blocked by protesters who harass women in an attempt to intimidate them. Women who have made probably the most difficult and the most agonizing personal decision of their lives are the targets of verbal abuse.

Those who say that there is already abortion on demand in Canada or that this law stands for something called abortion on demand are ignorant of the lengths that many Canadian women must go to to obtain an

abortion in this country. Even in provinces where access to abortion services are a lesser problem, we still see women forced to go to the United States. Not every woman in Canada lives in Toronto, Vancouver, or Montreal. Rural women have a very difficult time finding access to abortion services. If the doctor closest to them refuses, the woman must search further and further until she finds a doctor who will.

There is a serious problem of access in Canada, a problem this government has chosen to intensify rather than to address. Under this new law, women will have to shop around for a doctor who will brave the threat of criminal sanctions. At this point some doctors do not seem to believe that they will be charged for performing such a medical service because it really does seem to be an unbelievable thing that they could be. But we have seen under the old abortion law that several doctors were criminally charged for performing abortions. We have already heard the threats of the anti-choice extremists to charge doctors under this new law. The threat of being charged may keep some doctors from performing abortions, and access to a very needed health service may, in fact, be diminished.

This bill, if passed into law, will open the floodgate to a series of third party interventions. Disgruntled ex-boyfriends may lay an information that would bring criminal charges against doctors, and an aiding and abetting charge against women; anti-choice hospital personnel could charge doctors. There is no end to the legal lengths a certain faction of the anti-choice movement will go.

In the United States, a woman who was terminally ill and pregnant, decided, along with her husband and with her doctor, to wait a further two weeks before undergoing a Caesarean section because she knew and her doctor knew that the foetus would have a better change of survival at a more advanced gestational age. A third party court intervention led a judge to order an immediate Caesarean section against this woman's will. The foetus died within two hours and the woman died two days later. Third party interventions rob women of their dignity and of the right to make a decision about their own future. This is based on religious and philosophical principles that most of the population here in Canada do not share. We must not hand a new legal tool to this extreme faction of the anti-choice movement. We cannot stand idly by and let what is currently happening in the United States happen here in Canada.

I am concerned about the criminal aspect of the bill and its implications for third party interventions and access. I add to that my disagreement with the conditions that it imposes on women.

I have three children, and giving birth was a joyous experience for me. It has been my most fulfilling life experience. But I was fortunate. I have a supportive husband. We were ready and prepared to have children. We were able to provide for their care. It was my choice to become a mother. I know what pregnancy is, and I know what childbirth is. It is not easy, and it is not simple. It is simply not inconvenient as some MPs in this House would suggest.

Some women choose not to bear children. A woman who makes this decision is not frivolous. To say this negates the value of motherhood. Motherhood is not to be taken lightly. It is not to be entered into by mistake or by force. Motherhood is a serious responsibility. Women who choose not to undertake it are not frivolous. Women are people of integrity. Women make careful and thoughtful decisions based on their own personal circumstances that we here do not have the right or the ability to prejudge.

Many women each year still die in childbirth. The question is not whether the doctor alone believes the woman's health is likely to suffer because of a pregnancy, it must be the woman's choice whether or not she decides that she should have a child.

The Minister of Justice has been using the language of choice when discussing this bill. There is no choice for women involved in this bill. The minister is being hypocritical when he uses the language of choice in relation to this bill which makes abortion the doctor's decision based on health criteria, not the women's choice based on her own personal criteria.

The Chief Justice of the Supreme Court of Canada, Brian Dickson, said in the 1988 *Morgentaler* judgment, and I quote: "Forcing a woman by threat of criminal sanction to carry a foetus to term unless she meets certain criteria unrelated to her own priorities and aspirations is a profound interference with a woman's

body and thus a violation of security of the person". Chief Justice Dickson was not talking about meeting the state's health criteria to have an abortion. He did not say the woman should have to be measured against some standard that largely male politicians here will set up in order to have an abortion.

Madam Justice Bertha Wilson said that liberty in a free and democratic society does not require the state to approve the personal decisions made by its citizens. It does, however, require the state to respect them. The question then becomes whether the decision of a woman to terminate her pregnancy falls within this class of protected decisions. I have no doubt that it does. This decision is one that will have profound psychological, economic and social consequences for the pregnant woman. The circumstances giving rise to it can be complex and varied and there may be, and usually are, powerful considerations militating in opposite directions. It is a decision that deeply reflects the way the woman thinks about herself and her relationship to others and to society at large. It is not just a medical decision. It is a profound social and ethical one as well. The response to it will be the response of the whole person.

I would have hoped that in drafting this bill the conservative cabinet would have given more serious consideration to these words of wisdom. I believe if they had there would be no such bills in front of us today.

How far is this government going to take legislating state controls over a woman's body and personal decisions? What other aspects of women's personal lives are going to be left up to the state, the courts, and the medical profession to decide?

Canadians have varying moral, philosophical and religious beliefs about abortion. There is no reason for the state to impose what is, in fact, a minority moral belief about the equal status of the embryo or foetus upon all Canadian women. It is their own moral decision to make.

The church and the state are separate entities in modern Canadian society. They must remain separate. In Ireland and Brazil abortion is illegal, yet these two countries have a much higher abortion rate than we do here in Canada where abortion, prior to the passing of this bill, is still legal. The Minister of Justice said that this bill was not designed to reduce abortions. I do not understand this government. I do not understand why any government would put a health service in the Criminal Code.

• (1530)

This bill does not reduce the number of unwanted pregnancies. It does not improve access for women across Canada. What is this bill meant to accomplish? What is it meant to do? There seems to be only one answer to that question. It seems that it is meant to quell the call for federal action on abortion. This government will now be able to say that it has dealt with the difficult issue of abortion.

What we should all be working for is to reduce the number of unwanted pregnancies in Canada. Bringing in restrictive legislation does not do this. Many people imagine that every sexually active person is completely knowledgeable about various methods of contraception, their effectiveness and the risks. Nothing could be further from the truth.

A 1987 Gallup poll showed that only 46 per cent of Canadians felt that they had adequate access to family planning information services. There was a great regional disparity in these findings, with only one-third of Atlantic Canadians reporting sufficient access to these services and to this information. Young people are at great risk of having misinformation about effective birth control and the risks of pregnancy. One 1986 Canadian study of teenagers has shown that only about one-half of sexually active teenagers always use contraception. The 1986 research discusses how one in six women in Ontario will become pregnant before she reaches the age of 20.

Only half the schools in Canada offered sex education in 1984. A 1982 study showed that only 57 per cent of medical doctors were prepared to provide teenagers with birth control resources. Planned Parenthood states that many parents do not feel prepared to provide thorough sexuality education for their children. Research indicates that the provision of reproductive health services and sex education reduce the number of teenage pregnancies.

According to a 1984 Gallup poll, 83 per cent of Canadians do support sex education in our schools, and half say the current level of school sex education is not adequate. Teenage women are not physically or emotionally prepared for pregnancy. Teenage mothers and their children experience a higher rate of mortality and of morbidity. It is cruel to deal with unwanted pregnancies simply by wrenching new born babies away from these

young women. The key, clearly, is prevention. Not enough is being done in this area.

In 1977 the family planning division at Health and Welfare Canada was disbanded. There is now only one full-time staff person in that huge department to work on family planning issues. Funding to Planned Parenthood was cut by $61,000 during this government's first mandate. In 1984, Planned Parenthood received $200,000 from the federal government, down from $447,000 in 1979. By 1988, Planned Parenthood was receiving only $139,000, a decrease of $61,000, not even taking inflation into account.

I questioned the Minister of National Health and Welfare about this in the House yesterday and he replied that Planned Parenthood funding had been increased for 1989 to $146,000. I am no mathematician, Mr. Speaker, and obviously the minister is not either, because this still represents a substantial long-term decrease in funding to Planned Parenthood of $54,000.

First the Liberals axed family planning, and then the Tories axed it, so that there is now an inadequate sum to address the desperate need for family planning education in this country. If this government were at all imaginative and serious about preventing unwanted pregnancies, it would consider the establishment of mobile family planning units that would visit schools and communities to disseminate birth control and sexuality information.

It could expand the role that Health and Welfare Canada plays in family planning education. This government could consider placing family planning ads on our television networks. Why in all of this discussion about recriminalizing abortion do we not hear one meaningful word from the government on family planning education?

Why is this government bringing in a restrictive criminal bill on abortion and not doing a single thing to reduce the numbers of unwanted pregnancies? Why cannot the government understand that the humane and the compassionate way to deal with the abortion issue is through progressive policies such as family planning education and not through punitive criminal legislation?

Another issue closely related to family planning education is research into the safe and effective means of contraception. The effectiveness of commonly available contraceptive devices leaves much to be desired.

A Canadian study of women experiencing unwanted pregnancies has shown that a full 64 per cent were using some form of birth control when they became pregnant. Part of the problem is a lack of knowledge about effective birth control. Many of the methods being used were not as effective as others such as condoms alone or the rhythm method.

Some 15 per cent were on the pill when they became pregnant. Although this is one of the most highly effective methods available, it is not 100 per cent effective for the typical user. The two most reliable forms of contraception, the birth control pill and sterilization, are also among those that pose the most health risks or that require a commitment to permanent infertility. Sterilization is obviously not an option for most teenagers or for any young man or young woman who is planning to have a family in the later stage of their life.

Celibacy has been touted as an answer to unwanted pregnancy. To think that married couples will not have sexual intercourse unless they are completely prepared to bring a child into this world is really preposterous. To think that teenagers inundated with sexual messages from the media will suddenly take to perhaps a decade of celibacy is also naive.

Sexuality is a part of the human existence. It is neither realistic nor healthy to try to force asexuality on adults and teenagers unless they are prepared to have children. Rather, the answer lies in effective contraception, safe contraception, and the services and education that will allow all sexually active people to avail themselves of these.

This government should make the funding into research of safe, effective contraception for men and women a priority. Along with failed birth control and inadequate information about birth control is the matter of women who want to have children but are held back because of social and economic factors. I have heard here and around these halls that socio-economic factors are not a reason to have an abortion. Now the government wants to entrench this dubious principle into criminal law.

Instead of outlawing these reasons why do we not work to eliminate them? Why expect women to plunge their families into poverty by having more children? Why not try to prevent the unwanted pregnancies and to eliminate the socio-economic conditions that lead women to forgo pregnancy that may very well otherwise be wanted?

According to the National Council on Welfare, almost one in five Canadian children is living below the poverty line today. The government proposes no action on this other than to force poor women to bear more children. One frequent result of poverty during pregnancy is low birth weight, which often leads to further medical complications.

According to the Quebec Corporation of Physicians babies born in certain Montreal and Quebec City neighbourhoods are as likely to be underweight at birth as those in underdeveloped countries. A recent Canadian study indicates that the child mortality rate is twice as high among families at the lowest income level than among those at the highest.

• (1540)

An Ontario study found that being on welfare is one of the strongest predictors of chronic health problems among children. Children are the largest group of users of food banks. A Calgary study of 132 public schools found that 46 reported significant problems with children coming to school hungry. Nutrition has led to success in school. Poor nutrition may lead to an inability to concentrate and poor vision.

Almost two-thirds of single parent families headed by women are living below the poverty line. A Planned Parenthood document states that for many women early parenting leads to poverty, poor health, a breakdown of current or future marriages and a lower level of formal education. It is hypocritical of the government to bring in a bill that criminalizes abortion for socio-economic reasons while the same government contributes to adverse socio-economic conditions for women through regressive economic policies.

The poverty rate for two parent families headed by a person under age 25 was 30 per cent in 1986. Two parents do not guarantee that a child will not grow up in poverty. The Canadian Council on Social Development states that even if both spouses were employed at the minimum they could earn only 92 per cent of the poverty line income in 1986. Currently the federal minimum wage of $4 an hour is the lowest in Canada.

Poverty is a serious problem in Canada. Raising a child exacerbates the poverty a family may be experiencing or may contribute to poverty. We need to build a society in which children do not mean poverty to a woman or a family, a world in which children are not poor or hungry. The federal government can do much in the area of removing the economic barriers women face when considering whether or not to have a child, but this government seems to simply refuse to focus on economic strategies, on full employment, and adequate service. Instead it offers women regressive taxation and cut-backs. It has no compassion for the poor. This government's actions have been appalling.

It is the height of hypocrisy to make abortion for socio-economic reasons a crime and yet do nothing to eliminate the economic reasons why women feel that they have no other choice but an abortion in some instances. In fact, this government has exacerbated the problem of poverty in Canada by costing people their jobs with the trade deal and tossing thousands of people on welfare through its cut-backs to unemployment insurance and its taxation of the poor and the homeless with the new goods and services tax.

There are many things that this government has the power to do for women and especially for mothers. It could reindex and raise the family allowance. Instead it has dealt motherhood a blow by deindexing it and now it is clawing it back.

This government could expand the Canada Student Loans Program and the Canadian Jobs Strategy, making them more flexible and accessible for parents and young people. These are initial expenses that pay for themselves in the long run with a skilled workforce and a healthier economy. Language training and literacy should be a component of CJS. This would give many young women with small children a second chance to get the kind of education and employment that will allow them to feed their families.

The government could raise the minimum wage. How does the government expect women earning $4 an hour to be able to raise children? The government could also implement mandatory pay equity, employment equity

with goals and with timetables, rather than let women be economically penalized simply because they are women.

In our society women still bear the brunt of child rearing. Whether she has a spouse or not, a woman is usually expected to fulfil the demanding task of caring for and raising our children. Through inadequate or non-existing child support payments, women are often the only financial support as well as emotional and moral support of their families.

Women need to know that if they have a child they will not have to give up their job and livelihood, will not have to plunge themselves and their families into poverty, and that there is a support system in place which recognizes that many workers are also parents. In a 1988 survey 21,000 Canadian women said they were not paid labour force participants because they could not find subsidized child care. This government's policies are keeping women at home and keeping women in poverty.

The government came up with an inadequate strategy to deal with the ongoing child care crisis and then it abandoned even that. This government has shown no commitment to the children of Canada. Instead of recriminalizing abortion it should improve the situation for children and for parents in Canada. Instead of making hypocritical promises during the election campaign and breaking them after the election, this government should take positive action.

Canada's system of parental leave lags far behind that of most European countries. A pregnant woman in Canada must be employed in a UI insurable job between 10 and 20 weeks, depending on the regional rate of unemployment, to qualify for only 15 weeks of maternity leave with benefits equalling a maximum of 60 per cent of her insurable earnings.

A man or woman who is a new natural or adoptive parent and has met the qualifying criteria may take a 10-week parental leave at a maximum of 60 per cent of their insurable earnings to care for the infant, providing that the parent lives in a province or works for an employer who allows for this length of parental leave. The government cut parental leave for adoptive parents by five weeks this year. At the same time as the Conservatives are recriminalizing abortion, they are making it more difficult for adoptions to go through. This is yet another example of the hypocrisy. There is usually a specified time that an adoptive parent must commit to stay at home with their new child. The government is imposing a financial burden on adoptive parents which may deter the adoption process.

Why does the government not expand parental leave to at least 24 weeks as a short-term goal with a view to further expansion and negotiate with the provinces to amend their labour codes to allow for parental leave?

We must also look into other ways in which workers with family responsibilities can be accommodated. We must take effective steps to make Canada a place in which children are welcome, in which children are an important and treasured part of our society. We cannot continue to carry on this government's course of ignoring children's needs: food, shelter and child care. Parents should be able to spend the time they need with their children without depriving themselves or depriving their families. It has become so expensive to live that if a child has two parents usually both of them must work outside the home. Employers and government must recognize that workers have families and the economy must be restructured to take this fact into account.

Our social system requires women to be the primary care givers of children yet provides almost no support for pregnant women and new mothers. Women at a family life conference spoke of the inability of a blind mother of four to receive homemaker services. Support services must be accessible to all women. Support services pay for themselves in terms of healthy families and well adjusted individuals.

Sexually transmitted diseases may lead to infertility, birth defects, or even death. Health and Welfare Canada estimates that the cost of treating STDs in 1983 was $220 million. The direct cost of treating AIDS in 1985 was an estimated $192.6 million. This does not take into account the personal and social costs of these diseases. Half of all ectopic pregnancies which require emergency surgery to remove a fertilized ovum which is lost in a Fallopian tube is the result of a sexually transmitted disease. A government claiming to care about both foetuses and women should surely try to prevent STDs through education and accessible services. Governments should be involved in health protection and promotion, not in restricting reproductive choice for women.

The April 1989 federal budget cut $2 million from the Secretary of State women's program. Many of the groups funded through the program were involved in sharing information about issues, particularly issues affecting women including reproductive health. These groups have had their funding chopped by 15 per cent. The federal government cannot continue to evade its responsibilities in the area of health by claiming that it is a provincial matter. If health is only a provincial matter, why do we have a federal health statute guaranteeing accessibility and comprehensiveness among other things? That is what the Canada Health Act does.

• (1550)

If health is only a provincial concern, why does the federal government maintain a funding lever where health care provision is concerned? If health is a provincial matter, why do we have a federal Department of National Health and Welfare with a health promotion branch? The federal government should enforce the standards in the Canada Health Act to ensure access to adequate services which promote reproductive health and choice for all Canadians.

The abortion issue has centred around the ethics of abortion itself. What really needs to be discussed, however, is the ethics of a government that is prepared to restrict access to abortion but not prepared in any real way to address the reasons abortion takes place. The government's policies lead to economic hardship, inadequate planning, education and services, and environmental reproductive hazards. This government has shown concern for women and children. It is a government that sees abortion as a political issue, not a human issue, and is unwilling to look at ways to prevent unwanted pregnancies.

Prevention and support are the keys to creating real choices for women. Restricting abortion limits choice without addressing any of the reasons abortions occur. This abortion bill would reduce access to abortion, not reduce the numbers of unwanted pregnancies and abortions. It makes it more difficult to obtain an abortion, but it does nothing in the area of prevention. This bill also sets a precedent for handling unwanted pregnancies through criminal sanction rather than positive action. To me this bill says that women are not to be trusted. It says that women are not people of integrity, that they cannot be trusted to make their own decisions around their own personal lives for themselves.

The abortion bill does one more thing. It shows Canadians this government's hypocrisy around this issue. This bill does not ensure equal access for the women in all regions of Canada—the women in Prince Edward Island, the women in the north, the women in the rural areas of my home province of British Columbia, or the women in the Atlantic provinces and Newfoundland.

It does nothing to improve access for these women. They must still travel to large urban centres like Montreal. They must pay the expenses of getting there. What does this say to women in Canada who are poor, who cannot afford to travel? What is the option for them when there is no access to abortion services in their own area? It does not work toward reducing the number of unwanted pregnancies. Criminalization will not prevent unwanted pregnancies. It does not make Canada a supportive society for women and children.

This issue is the fundamental emancipation and equality issue for the women of this country. This is the issue that the women of Canada look toward, whether or not they have ever considered for themselves the option of abortion, whether or not they have ever considered yet for themselves in their lives whether or not to have children. They view this issue as the fundamental issue that states that they are equal people in our society.

Some Hon. Members: Hear, hear!

Ms. Black: I urge members on both sides of this House: "speak to your mothers, speak to your sisters, speak to your daughters, speak to your wives. They understand this issue. They know. We know. Women know. We are people who can be trusted". I urge people on both sides of the House to vote in opposition to this bill for all women in Canada.

Mr. Cooper: Mr. Speaker, I am sorry to interrupt the debate but there have been discussions among the three parties and I would like to have consent to move the following motion:

That when the House adjourns on Wednesday, November 29, 1989 it shall stand adjourned until Monday, December 4, 1989 at 11 a.m.

Mr. Deputy Speaker: Does the hon. parliamentary secretary have leave of the House to introduce the motion?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Riis: Mr. Speaker, I just want to take this opportunity, on behalf of my colleagues in the New Democratic Party, to thank my hon. friends for their generosity in setting aside these two days, the time of which will be made up I might add in terms of House time, to allow us to plan for our convention.

Mr. Deputy Speaker: We will resume debate with the hon. Minister of National Health and Welfare.

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I would like to add my voice today in a debate which over the course of the past year has bitterly divided citizens' groups, medical associations, the judiciary and Parliament itself. It has been a fierce and an emotional argument, an argument which has displayed the lives and experiences of individual Canadians across the front pages of newspapers and on the screens of millions of television sets throughout the country.

In the search for a solution to the abortion question, the public spotlight has sacrificed the privacy of everyone caught in the way, dissecting their experiences, emotions and entitlements. The rationale was that we were searching for a kernel of truth that would indicate clearly what was right and what was wrong. That is not the way in which an issue of this importance should be resolved. Sensationalizing individual lives cannot possibly provide the thoughtfulness, wisdom and judgment necessary to develop a bill which respects the rights of all Canadians, especially when those rights come into conflict with one another.

[*Translation*]

These rights relate to some very intimate matters. It is embarrassing for the people concerned and offensive for the rest of us to see these lives paraded in public. These are not issues that should be judged in a media trial.

It is not strictly a matter for the courts, either. However, there is ample evidence that in the absence of any initiative by Parliament, people will keep taking these matters before the courts.

Of course this kind of situation is unacceptable. It is not up to the courts to set policy, since the courts are not accountable to Canadians at election time. Clearly, it is up to our elected representatives to lead the way in this respect.

It is a role we have a duty to fulfil.

[*English*]

Many Canadians have very strong beliefs about whether abortion is right or wrong. In an issue which is so close to the hearts of each of us, we should not be surprised that some feel that it is their moral imperative to declare their stance as the only acceptable perspective in a caring world. When beliefs are held this deeply, they say there can be no concession.

I believe that we must search for common ground. Compromise is very difficult when groups cannot even agree to use the same vocabulary. When we politicize language itself we take away its meaning. Words no longer serve as tools to build understanding. They become weapons to discredit the views of others.

People who call themselves pro–choice in no way consider themselves to be anti–life. They feel that a woman's fundamental right to choose has been denied. It must now, when the right of women to determine their own futures is finally being recognized, be affirmed. And those who say they are pro–life flatly reject any claim that they are anti–choice. On the contrary, their entire effort has been to support the rights of those who cannot make their choices known because they do not yet have a voice.

We should not be surprised that the proposed legislation has not been endorsed by either pro–choice or pro–life groups because it does not use either's vocabulary.

• (1600)

[*Translation*]

There are few if any moral issues on which a consensus can be reached. However, the abortion isssue is stressful for each and everyone of us because it seems to call for a decision that negates one essential human value while benefiting another.

We should not be surprised at the intensity and bitterness of this debate. The fact that democracy encourages protest in our search for the truth is one of its strong points. However, it does not encourage protest for protest's sake. It tends to promote debate and argument so that we can finally agree on what is best for society.

[*English*]

We have been elected by Canadians to choose the course which best balances the rights of everyone concerned. We do not seek to disguise the fact that the bill is a compromise. It is a proposal which accepts the validity of opposing points of view. It recognizes that while abortion must always be a last resort, probably there will always be instances where it is necessary. Each case must be considered separately. We have provided room for that consideration in this legislation.

Over the years my position has been pro-life. I cannot pretend that each word of this legislation is exactly what I would have written in an ideal world, but I do believe that if we want legislation at all, we must compromise. Building on compromise, we must show tolerance. We must try to understand opinions which are different from our own. I do not mean that we have to agree completely, but rather that more than one opinion must be reflected in the law.

Society's values change with time and our laws change with them. The one constant must be our respect for one another. The social contract which guides our conduct with one another is not based on a principle of winner take all.

Twenty-two months ago the Supreme Court, interpreting the Charter of Rights, struck down the previous law on abortion. It recognized that society must choose among competing rights. But the country was left without a framework for making that choice.

The government on Friday, after much soul searching and compromise, tabled this bill. Some people have already declared their opposition. But what is their alternative, to have no law, as we have had for the last 22 months; to leave a policy vacuum, where depending on your point of view, everything or nothing is acceptable?

[*Translation*]

Obviously, we have a duty to specify the kind of context in which women and their doctors can make such sensitive decisions. The bill before the House today represents the best attempt at a compromise we have seen so far.

We have looked at other options. Some people felt that we could use the provisions of the Canada Health Act.

[*English*]

We have been asked to use the Canada Health Act in two ways. On the one hand, there are advocates of abortion rights who are concerned about the availability of abortion services. They would like us to financially penalize those provinces which do not provide unrestricted services.

The leader of the NDP argued for that approach yesterday. He made the case for invoking the Canada Health Act on abortion, but was not prepared to argue that the federal government should attempt to dictate how services that may be crucial to the very survival of patients, such as neurosurgery, cancer treatment, or heart surgery, should be delivered. Abortion would apparently be the only case where such a weapon would be used.

On the other hand, the pro-life groups have stated that the federal government should use the Canada Health Act to deny payments to provinces which provide abortion services.

Neither of these two alternatives is consistent with current constitutional practice in Canada. The provision of health services is primarily a matter of provincial jurisdiction. According to the Constitution, the provinces are responsible for the operation and delivery of the health care services which all Canadians cherish.

That fact was recognized when Parliament legislated on this issue in 1969. The then Minister of Justice who is today the Leader of the Opposition, described the role of the provinces clearly. He said this:

> The relationships in civil law between the patient and the doctor, between the patient and the nurse, between the doctor and the hospital, the nurse and the hospital, are relationships falling within the operation of provincial law, the civil law, and the constitutional responsibility of the provinces—the subject of statutes which regulate hospitals and professions. These are properly provincial matters.

[*Translation*]

The Canada Health Act respects provincial jurisdiction in health matters and recognizes the fact that our provincial health systems have evolved in ways that are characteristic of each province.

The Act's criteria provide general guidelines, deliberately leaving the provinces with a certain latitude in deciding how they are to be applied, so that they can make decisions based on local priorities and capabilities.

[*English*]

If you read the Canada Health Act, Mr. Speaker, you will find that it does not list specific medical services, whether they be cancer treatment, heart surgery or abortion services. The provinces, in conjunction with the medical profession, are responsible for deciding what is medically necessary. The provinces licence medical practitioners and regulate medical institutions such as hospitals. They also decide how best to organize the service and provide access.

The bottom line is that the federal government cannot dictate policies in areas of provincial jurisdiction. It would be an invasion of the provinces' role in Confederation. As the House will know, the constitutionality of the Canada Health Act is currently being challenged. We believe that the act will survive, however, because it respects provincial jurisdiction as it is currently written.

It is only through the criminal power that Parliament can regulate abortion on a national basis. The proposed legislation will give the provinces the guidance they have requested on the legal framework for abortion.

I expect that with the provision of this new legal framework, provincial governments will respect both the letter and the spirit of the law and will arrange for access to all medically necessary services. The federal government will encourage consistency in their responses, recognizing varying provincial circumstances.

Some people have proposed a gestationally based alternative which would divide pregnancy into two or three stages, permitting abortion in the early period and limiting it near the end. The problem is, the boundary line between stages is very difficult to define and it changes with advances in technology. The notion of foetal viability has evolved significantly in the last five years. Finally, the government's legislation, unlike a gestational approach, recognizes society's interest in the foetus right from the earliest stages.

That is the rationale for the the legislation before the House. We believe that it is moderate and reasonable and that it deserves the support of Canadians. But there are other issues that Parliament must also address. Each year, about 360,000 children are born in Canada. About 65,000 abortions take place. Over half of them are performed on women under the age of 25. Our challenge is to put in place policies that support Canadian families and that eliminate the causes of such high numbers of abortions.

Most of the women who undergo these abortions know firsthand of the agonizing choice that is being made to prevent a baby from being born. They do not take the decision lightly. They know that abortion must never be seen as just another form of birth control. Our priority must be to educate young people to be responsible and also to eliminate the economic, social and personal injustices which encourage such a choice.

In the past, policies have been *ad hoc* and have looked at these issues in isolation from each other. I believe it is time for our country to take a much more comprehensive approach to sexual health, family planning and how we raise our children. The goal must be to help Canadians make informed choices which will create strong and stable families.

One key element was put in place a few days ago when the Prime Minister announced the Royal Commission on New Reproductive Technologies. Too many Canadian families would like to have children but cannot. The royal commission has been asked to study the causes, treatment and prevention of male and female infertility, reversals of sterilization and a host of other reproductive health issues.

We want Canadians to have the widest possible range of options in deciding whether and when they will have children.

[*Translation*]

We are also taking steps to help families that already have children. We want to fight family violence and child

sexual abuse. We want to improve daycare services and help Canadian families get out of the poverty trap.

We are taking these steps to make the family a healthy environment for the child and to correct certain situations that make women consider abortion as a last resort.

• (1610)

[*English*]

We also have to look for more effective ways to help women avoid unwanted pregnancies and to cope with these pregnancies when they occur.

In 1977 the federal government of the day agreed with the provinces that the provision of birth control services is primarily a provincial responsibility. Services which were previously delivered by the Family Planning Division of the Department of National Health and Welfare would in the future be provided by them. However, there is a key role which is left for the federal government to play in sponsoring research and providing financial assistance to national organizations involved in the field.

I have asked that the Department of National Health and Welfare earmark a minimum of $500,000 a year over the next three years for research into family planning issues, including contraception and problems in fertility. We also need better information and education. Recognizing that the nature of the problem changes from community to community, we will continue to give sustaining grants to two national organizations, Planned Parenthood of Canada and Serena Canada, to educate, promote and support family planning which is sensitive to the varying needs of different communities.

Another way to reduce the number of abortions performed in this country is to encourage more adoptions. There are thousands of would-be parents who are unable to have their own children and would provide loving homes. We need to encourage more pregnant women to consider adoption as an alternative.

As a result, the federal government plans to sponsor and fund a study to identify factors that could make adoption more appealing to young single mothers. I plan shortly to issue a call for proposals to conduct this study. I hope that it will point to solutions that place more babies into the homes of Canadians who are otherwise unable to fulfil their aspirations to be caring parents.

Through our health promotion contributions program, we will continue to fund proposals for community-based projects which will help adolescents lead responsible reproductive lives.

[*Translation*]

A lack of accessible and affordable resources to deal with matters concerning health, reproduction and sexuality has been obvious for some time. Although community organizations, local agencies and provincial departments continue to create new facilities and purchase new equipment, the lack of co-ordination and communication between agencies often leads to duplication and unnecessary spending.

[*English*]

In my opinion, we have an urgent need for balanced and clearly explained information on human sexuality. As a result, we are giving Planned Parenthood Federation of Canada $264,000 toward the development of a national resource centre on reproductive health and human sexuality to provide that information co-ordination.

As I mentioned earlier, each year there are about 360,000 pregnancies brought to term in Canada. But not all the mothers and fathers have the resources which they need to help them develop their knowledge and skills to be good parents. We are in the process of launching two national programs designed to help new parents. The first, the post-partum parent support program, helps new mothers, their partners and other members of the family cope with the arrival of a new child. The second is aimed at the 150,000 young, single, low-income parents we have in Canada, many of whom feel isolated from support and some of whom lack confidence in their ability to raise a child well. This program, which we are undertaking in co-operation with the provinces, will give parents accurate information on their children's health, safety, development and behaviour. We hope to prevent further unplanned pregnancies by making sure people understand the choices open to them in choosing whether to have children.

In an age characterized by the spread of the AIDS and other sexually transmitted diseases, over-population, child abuse and unwanted pregnancy, we must educate

ourselves, provide better and more accessible birth control information and methods and revolutionize the way in which we approach the sexual education of our young.

The issue of abortion cuts to the root of deeply held moral conviction about the meaning of human life and the control of life and death by the instruments of modern technology. As yet, no consensus exists in North America on these issues.

It is tempting on such questions to refuse to consider any significant compromise. That is the position taken by the spokespersons for some organized groups well before they ever saw the bill. Members have that option and some have already said that they will exercise it. Their actions will be applauded by the groups which reject any compromise. To follow that course, however, is to leave without a voice the majority of Canadians who do not belong to such groups and who expect this Parliament to show leadership in building a consensus.

They believe that Canadian women and their doctors have the right to know when abortions may be performed and when they may not. They believe that the private lives of Canadians should not be fought out the media and in the courts. Most important, they believe that it is our responsibility as elected representatives to set the policy, not to leave it to the judges to set by default.

The bill before us today represents a moderate and balanced compromise to an ethical conundrum. Its alternative is stalemate and a legal vacuum. I urge members to consider this legislation carefully, to accept our responsibility to provide the leadership which Canadians are demanding and to support this bill.

Ms. Langan: Mr. Speaker, I applaud the list of efforts the federal government is planning for the support of women and wonder when we will begin to see them coming into actual fact. The minister can rest assured that we will be watching to ensure that they do become fact and are not just another empty announcement.

The Minister of Finance, during the speech delivered by my colleague, the hon. member from New Westminster—Burnaby, said in a heckle that only the NDP would bring free trade into the abortion issue. That to me suggests that the hon. member still fails to understand that abortion and the attendant control over women and their bodies is an economic issue that has been inflamed throughout history in order to maintain economic control over women.

The minister referred to my leader's request that access to abortion be regulated by the Canada Health Act. He said that neurosurgery, heart and cancer treatment is not regulated under the Canada Health Act, and so suggested that access to abortion should not be as well.

I would suggest that neurosurgery, heart and cancer treatment is denied because of lack of facilities, not because of someone's moral opinion. I would suggest also that if a whole province refused to do or pay for heart surgery, then the minister and his government would have much to say under the Canada Health Act about that.

I would appreciate it very much if the minister would respond to this question. If a province refused to pay for or facilitate heart surgery, would he, under the Canada Health Act, intervene?

Mr. Beatty: Mr. Speaker, I would first of all make one minor correction to the reference to me that was made by the hon. member when she referred to me as the Minister of Finance. I have been here now some 17 years and the great achievement of my political career will be if I can spend my whole career here without ever becoming Minister of Finance. I am sure the Minister of Finance would agree that it would be in the public interest that that be avoided as well.

The hon. member tries to argue again, as her leader did yesterday, that the federal government should refuse to fund medicare services provided in the provinces if they refuse to provide the level of service for abortion which the hon. member would like to see. She does not indicate whether she believes the federal government should be dictating, in the case of these other services she mentioned such as cancer treatment where the very survival of the patient depends upon it, that that treatment should be provided or that it should be provided in a particular way. She does not indicate, in the case of neurosurgery or in the case of heart disease or a whole range of other areas, that the federal government should intervene to require that these services be provided. Look at an issue, for example, related to reproduction. A

number of the provinces right now are looking at the question of midwifery. It is an area which is left to provincial jurisdiction. Would the hon. member argue that the federal government should set one policy which would apply from one coast to another which would give women the choice of whether or not they wanted to go to a midwife to deliver a child? No, she says, she would not want to do that.

• (1620)

Indeed, what the NDP is asking for is that any medical services which are provided by provinces, the sole instance in which they ask for federal intervention with us using a financial weapon against the provinces is to require the provinces to increase services on abortion; not in any other instances, they say, solely in the case of abortion. Such an approach would be unconstitutional.

I would invite the hon. member to read the Canada Health Act and she will recognize the fact if she does that the Canada Health Act was deliberately designed by the government of the day, which was a Liberal government, voted on and supported by Parliament, by all of the parties, to ensure that the constitutional rights of all jurisdictions were respected.

Finally, she takes umbrage at the reference I made from this side of the House at the time the member for New Westminster—Burnaby was giving her oration when she tried to attribute the high rate of abortion in Canada to the free trade agreement. I repeat, only the NDP would attempt to so partisanize debate on abortion that they would drag the free trade agreement in and try to blame that for the high rate of abortion in Canada.

Mr. Wappel: Mr. Speaker, I listened with care to the minister and his comments about the attempts that he said that his government was going to make with respect to education of the public. I wonder if the minister would be kind enough to help with the education of the public at the present time.

I would like to pose two questions. Precisely what is the purpose of banning abortion? What do I mean by that question? Surely we have to ask ourselves what is an abortion. That has to be the fundamental question asked of this House and it can only be after we have come to grips with that question and with the answer to it that we decide whether or not abortion should be allowed.

The government obviously has brought forward a bill which clearly makes abortion illegal in this country unless certain circumstances apply. I would like to know on what rationale that decision is based, and if in fact it is based on some rationale to protect foetal rights at some point, what foetal rights? Why do they need protection?

Of course, my position is clear and I will be making it abundantly clear when I speak on this bill, and that is that life begins at conception. I would just like to know how we can discuss the issue of abortion and banning abortion without talking about what abortion is and putting a definition.

My second question concerns subclause 3 of clause 287 as proposed, which deals with various drugs. I am asking the minister if he and his government have discussed whether or not that section would include such drugs as RU–486 which is presently being manufactured in France and whether or not that drug would be excluded under clause 3.

Mr. Beatty: Mr. Speaker, any attempt to have that drug used in Canada would require that an application be made to the Department of National Health and Welfare for approval. The intention of the legislation was to ensure that such things as birth control devices, intra–uterine devices, so–called morning–after pills, were permitted but not to allow other means of inducing abortion in Canada except as permitted by the law. No application has been made at the present time for such a pill to be marketed in Canada.

It is not our intention to ban abortion in Canada and I think that it is important, as we discuss this issue, to have an understanding of what this bill is designed to do. The goal is not to ban abortion but rather to set the framework in which decisions can be taken as to when abortion will be permitted in Canada.

One of the fundamental decisions that we take is that it is essentially a health matter to be decided between the woman and her doctor. We have made it clear that we do see competing rights here, that we believe the society does have an interest in the unborn child. But we believe as well that when the health of the mother is threatened, the woman in question and the doctor should have the right to have and perform an abortion in that instance. By setting this framework, we believe that we help to give a clear sense of direction to the women of Canada and also to the doctors in Canada as to when

abortion will be permitted and when it will not, and we attempt to balance these competing rights.

I think there probably is no one in this House who believes in the issue as foetal rights, as the hon. member does, who would not recognize the fact that what we are dealing with foetus versus the rights of the woman in question. The goal of this bill is to try to strike a balance between those rights and to give a clear indication as to when it is appropriate that abortion should be permitted in Canada.

Finally, I would welcome an indication from the hon. member as to whether he supports the position that was taken by his party spokesman earlier in favour of using the Canada Health Act to intervene against the provinces, to withhold money from the provinces if they do not expand abortion services in Canada. Was the hon. member who spoke earlier speaking on behalf of his party in that regard?

THE ROYAL ASSENT

[*English*]

Mr. Deputy Speaker: I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

November 7 1989

I have the honour to inform you that the Honourable Charles Gonthier, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 7th day of November, 1989, at 4.45 p.m., for the purpose of giving the Royal Assent to certain Bills.

Yours Sincerely,
Léopold H. Amyot Secretary to the
Governor General.

* * *

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment of the House are as follows: the hon. member for Notre-Dame-de-Grâce—Employment; the hon. member for Moose Jaw—Lake Centre—Agriculture—Removal of oats from Canadian Wheat Board/Results of Decima poll; the hon. member for Beaver River—The Senate.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Lewis that Bill C-43, an act respecting abortion, be read the second time and referred to a legislative committee.

Ms. Mary Clancy (Halifax): Mr. Speaker, abortion is a complex issue, perhaps the most complex issue to be faced by this House in the current session or any other session of our long parliamentary history. It is fraught with emotional arguments on both sides and it is crucial that we respect the views of both sides in so far as they have an inalienable right to hold and express such views. It is an issue that must be faced and dealt with in our pluralistic society with both honesty and integrity. This bill is not the answer.

This bill gives the false impression that politicians are not honest, because this bill is not honest. On the one hand, it says abortion is prohibited throughout pregnancy. On the other, it creates a loophole which effectively allows for any and all abortions. Now, some will say, why argue? The actual effect of this bill once passed into law is that anyone who wants an abortion will get one.

The two proposed amendments to Section 287 and Section 288 of the Code make all abortions illegal in Canada, except in cases where a physician is of the opinion that the woman's physical, mental and, and I believe or, psychological health is endangered by the continuance of the pregnancy. In any other circumstance, it is a criminal offence punishable by up to two years imprisonment for anyone to induce an abortion, including self-inducement of an abortion by a female person. In addition, no person can lawfully supply or procure a drug or other noxious thing, or an instrument or thing, for the purposes of inducing an abortion, which again would include the pregnant woman in cases of self-inducement.

From a legal perspective, this bill would not survive a constitutional challenge, as far as I am concerned, in the Supreme Court, in light of the Morgantaler decision. It certainly does not respect Madam Justice Wilson's judgment on the right to "liberty of the person" to choose for herself what happens to her body. Nor does it respect the judgments of Justices Dickens, Lamer, Betz

with regard to the security of the person under Section 7 of the Charter of Rights and Freedoms.

• (1630)

The right to security of the person includes a right of access to medical treatment and protection from significant delays in seeking medical treatment. Replacing the requirement of hospital committees to that of only one physician does not change the issue of access since there is absolutely no guarantee that all physicians in Canada would apply the same standard criteria in assessing the health of a pregnant person.

There is also no guarantee that a physician's moral and religious values will not dictate his or her assessment of the need for an abortion. There are no standards or guidelines for all of Canada's physicians to follow, except for, and I quote: "generally accepted standards of the medical profession". Whatever that may mean, they can and do differ from province to province and from territory to province.

As a result of such legislation women certainly do not have equal access before the law, and nor is the law applied equally to all as is required by Section 15.

The interesting thing is that the government had an opportunity to do something here. It is likely that the Supreme Court would accept legislation that would ban abortions after 22 weeks of pregnancy except for medical reasons dictated by the expectant mother's condition or that of the unborn child. Indeed, this has been recommended by both the Law Reform Commission of Canada and the Canadian Medical Association. But this is not what the government has given us. Anyone who wants one can get one. That I submit is not the effect of this bill, even if that is its intention.

The question of access, as we have seen, is not addressed. Indeed, it appears that because the bill is silent on access this crucial issue will be thrown back to the provinces and territories, creating 12 different scenarios at a minimum.

I think the thing that is perhaps the most abhorrent about this legislation is that to secure an abortion women in most cases will have to lie. They will have to fabricate a situation for their doctors to ensure that they fall within the definition of a threat to health; physical, mental, or psychological health. What does that mean? What does it mean medically, and what does it mean practically?

This bill places the onus for the decision squarely with the doctors. Although the Minister of Justice this morning and the Minister of National Health and Welfare this afternoon, in discussing the bill both spoke of a decision between a woman and her doctor, the bill does not say that. The concept of consultation is intrinsic to the woman's right to choose. Clearly she can accept or reject a doctor's recommendation. No one is suggesting anything other than that. But to leave her out of the specifics of the legislation implies a denial of her right to be a full participant in that decision.

The legislation raises more questions. Does it meet the requirements of the security of the person delineated by Section 7 of the Charter of Rights and Freedoms? Does it meet the minimum requirements relating to time again set down by the Morgentaler decision? What about women living in remote rural areas whose only access may be a doctor who, as would be his or her right, does not choose to perform abortions? The legislation does not even address this situation.

What about women who convince a doctor that their mental, psychological, or physical health will be impaired by bearing a child? In particular, if they insist that it is their mental or psychological health that is in danger, will this contention, true or false, entered into their permanent medical records come back to haunt them at some future date? The ramifications for the female population of the process may indeed be more detrimental to their health than pregnancy or abortion.

The vast majority of people find abortion abhorrent, and so it is. It goes against every human inclination to protect the helpless. But it is equally abhorrent to the majority of Canadians to force a woman to bear a child when she finds the situation untenable. Few people quarrel with abortion in the context of rape or incest, but there are other situations equally tragic for women; the mother who has neither the financial nor emotional resources to support another child, the teenager frightened out of countenance and unable to cope with the responsibility and equally unable to seek support from her family, the abused wife with nowhere to turn, the woman who does not see parenthood as an option, the woman who is responsible in her sexual life but whose

contraception failed. We do not live in rose-covered cottages.

We do not live in ideal situations and far, far too many Canadian women and their children live lives of quiet desperation. Some people just say "Well, that's tough. You made your bed, you must lie in it", or "You made your choice when you became sexually active". There is not much compassion there and there is not really very much common sense either.

If abortion is banned it will not cease. Personally, I am not excessively worried that women will resort to butchers because Canadian doctors are too compassionate to let that happen. But normally law-abiding women and equally law-abiding doctors will flout any flat ban by the thousands. Can anyone turn their back to the woman who faces an alcoholic husband who is demanding his so-called marital rights on the night he gets his pay cheque and say "You made your choice and you must live with it"?

These would be bad laws as this bill will be a bad law. This bill is a bad law because it tacitly invites women and doctors to bend the facts to fit the legislation. If the intent of the law is to ban abortion then the intent is thwarted. If the intent is to allow abortion then the government should say so. Women do not want their rights surreptitiously through the back door. Neither do those Canadians who hold the view that abortion is totally unacceptable deserve to be tricked into thinking, presupposing the trick worked, that this bill stops abortion. This bill is not balanced, it is not compromise. It is sham and Canadians recognize sham.

Since the abortion law was struck down last year, there has been no perceptible increase in abortions. Women do not make these decisions lightly. The agony that all fair-minded people go through in considering the rights of the woman *vis-à-vis* the rights of the foetus is small, compared to the agony faced by the vast majority of women when they decide they cannot continue their pregnancies. This is a private personal and tragic situation in which parliamentarians, interest groups and the media really should not be able to meddle because the answer, the solution, is not and never has been found in legislation, and certainly not in criminal legislation.

Yes, we have a collective responsibility to act and yes, there is a societal right here, but it is being obscured by the emotion of the debate. What we must act on are long-term solutions and the only real way to create real choice is to create the situation where child-bearing and child-rearing are freely chosen and widely supported, supported by concrete actions and not merely pious do-nothing lip service.

This bill does not even attempt to address the long term, but worst of all, there is no sign of any companion legislation to help to minimize the need for abortion, to create a real freedom of choice for women and men.

There are three basic ingredients to a long-term solution. The first is massive education, not small programs, a little bit here, a little bit there. As a society and a country we have never faced squarely the matters of sexuality and responsibility. We are a nation of ostriches, burying our heads in the sand in these days of fatal sexually-transmitted diseases and unwanted pregnancies. The just say no theory is weak to the point of irresponsibility. Federal and provincial governments must work together now to educate the population.

The Hon. Minister of Health espoused some of this idea in his speech. I say to him that women and children need more than words. Five hundred thousand dollars here and $264,000 there is a pittance, it is not enough. If we are going to put our money where our mouths allegedly are, it has to be substantial money that makes substantial change. The women and children of Canada do not need budget cuts and they certainly do not need the GST.

The second is the development of safe, adequate and affordable contraception. Again our society is remiss. We place the responsibility for contraception heavily on the female but provide methods that either seriously jeopardize a woman's health or have a failure rate that no odds-maker would depend on. Sadly, there is no move of any significance on the part of this government in this direction. Rather, we have seen cuts, cuts and more cuts.

The third is a concerted effort to make this country truly supportive of families, of mothers and of their children. What support is there for the pregnant 14-year-old scared out of her mind, for the abused wife, for the woman on welfare who cannot scrape together a decent living for her family, for the one million children

in Canada who live in poverty and must depend on food banks, for the physically abused child, for the emotionally abused child and for the sexually abused child?

• (1640)

What about the 70 per cent of child support orders in this country that go unenforced? Above all, what about child care? Where is the child care legislation that would provide not just support, but the intention of a new dawn in caring about families in this country?

If anyone thinks that these matters are unrelated to the abortion issue, then we have even more ostriches than we originally thought. If this were a perfect world—and my colleague the Minister of Justice said that earlier today—a world without violence and without fear, abortion would not be the issue it is today.

If this government were committed to achieving a better level of social justice, a decent standard of living and some alleviation of the plight of the poor, we would be on the road to solving this complex and terrible problem. Instead, we have a bill that insults the intelligence of both sides, that forces women to lie, that institutionalizes hypocrisy. It is just not good enough.

Ms. Black: Mr. Speaker, I thank my colleague from the Liberal party for her comments today. She and I share the same critic responsibilities for our respective parties and it is a pleasure to be in the House together.

I have a couple of questions for the member. She is from a region of Canada where the access problem is very difficult and where women travel distances and have great difficulty in finding doctors or facilities that perform abortion. I wonder if she could comment on that and on some of the women in rural areas of Atlantic Canada who have great difficulty in accessing services for safe abortion.

Also, could she comment on what this does to women who do not have money, women who are poor? What do they do when they need access to a safe abortion? How do they get to the area of the country that will provide such a service?

My second question deals with her comments relating to the Law reform Commission and the issue of gestational limits. I have a fundamental belief that gestational limits indeed are wrong. From her comments I understood that she might perhaps support the concept of the Law Reform Commission.

I have a friend who was five and one-half months pregnant this summer with a third child, very much a wanted child. My friend was diagnosed with a very aggressive form of cancer. She was told by her doctor that she must undergo an abortion in an attempt to save her life. I know how difficult this was for my friend because she shared this pain with me.

I am opposed to gestational limits because my friend and other women in situations like that would then be forced to go through another process or another board or another medical opinion. Would she just comment on the concept of gestational limits as well?

Ms. Clancy: I thank my hon. colleague, the other critic for status of women. Indeed we do share many of the same views on this.

Just to comment on the gestational approach, we do not have legislation in front of us that reflects it, but I certainly find it to be possibly the legislation that might come closest to the compromise that many of us desire. In any legislation that reflected the gestational view, I would not see a situation such as the one of the woman five and a half months pregnant and needing an abortion due to a serious threat to life to be a drawback.

I do not think the Supreme Court would allow us to legislate a problem with time. That is already covered in Morgentaler. I think the gestational approach merely reflects what is the actual situation in medical practice in this country. Certainly the decision of a woman and her doctor at a later point would obviously reflect what is already medical practice in this country.

On the first question with regard to access, we note that in Alberta, for example, access, especially in the north, continues to be a problem. Access in Saskatchewan is very poor with the few centres which provide abortion restricting their services to local women. In Manitoba access is concentrated in Winnipeg. Many New Brunswick women, especially from the North Shore, must travel to the United States or Montreal to access an abortion.

In Nova Scotia over 80 per cent of the province's abortions are performed at one hospital in Halifax. In Prince Edward Island women must travel outside of P.E.I. to obtain abortions as no hospital there will perform them. In Newfoundland, St. John's General

Hospital is the only one that provides abortions on a regular basis and access is dependent on a particular doctor at a particular time.

The answer is that poor women are in a worse bind. If I may, and I mean no levity at this whatsoever, in Atlantic Canada where the preferred means of travel of the poor is the train, we have another problem as well. Women who wish to come from northern New Brunswick and the rural areas of Nova Scotia have depended upon the train and that has been taken away from them, how or will be taken away from them. How they are going to afford to get to the regional centres where they can access an abortion, I do not know, but I do know that this bill does not help them.

Mr. Friesen: I have a question. Given the context of the Charter of Rights and a mother going to a doctor requesting an abortion, does the member feel that the doctor, on a woman's request, is obligated to provide that abortion?

Ms. Clancy: I said quite clearly that a doctor obviously has a right to preferred areas of practice. Some doctors will choose not to perform an abortion, and that is certainly the right of the individual doctor. But it is incumbent upon us, and indeed I believe that this House was certainly given a very broad hint by the Supreme Court of Canada, to look at improving access in a manner that we can control. I am not suggesting that I or the hon. member or a posse from the House of Commons should seek out doctors across the country and put guns to their heads and say "you will perform abortions". That is ridiculous. Access can be answered in manners other than that. Among other things, it can be answered through the Canada Health Act.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, as you might detect, I was thinking that we would probably be dealing with this issue a little later. As a matter of fact, I had in mind speaking on this bill tomorrow but the opportunity presented itself this afternoon and I thought I would use it to speak on this bill in the House of Commons.

I see the member across the way, the Minister of Energy, the former minister of health. I must say that his present portfolio presents a little less of a problem to him than if he were the minister of health at this particular time. Having read this bill, I can tell that the Minister of Energy certainly did not write it. I sympathize with the Minister of Energy and others who, like myself, want a bill which protects human life, as this bill does not. However, unlike the Minister of Energy, I am not constrained by the fact that I am a member of the cabinet and, therefore, will be able to vote in a manner which is more consistent with my conscience rather than a discipline which is imposed.

I do not say that in a light-hearted way or in any way to make fun of the position in which some of our colleagues find themselves as a result of being in cabinet. I suppose every member of this House wants to be in cabinet at some point, but I am sure there are moments like this when members of cabinet find that being there has its difficult moments as well. I make those comments for that reason. I do not want any member to think that my comments should be interpreted otherwise, particularly not when I speak on such a very important issue as this, and when I address some of the remarks to the Minister of Energy, whom I respect immensely for the position which I believe he has on this issue.

• (1650)

[*Translation*]

Mr. Speaker, as I said in July 1988, when I made my speech in the House of Commons, I have changed my mind on this issue, and I announced this change in my views in April 1988. I realized that for any politician, changing ones stand is not always very popular and is even quite controversial. Even more so if ones says so in public. And that is what I did at the time. I changed my mind on the abortion issue, simply because I could no longer live with the position I had taken, and when I say that, I am not referring to outside pressure but to pressure from within. In other words, my conscience would no longer let me live with the position I had taken at the time. Since April 1988, Mr. Speaker, I have tried to explain to my colleagues in this House and to any Canadians who cared to listen that the only bill that should be passed by this Parliament and this House should respect and protect life before and after birth.

In 1959, before the United Nations, Canada justified the importance of our participation in the Declaration of the Rights of the Child. At the time, Mr. Speaker, we as Canadians told the nations of the world that the child not yet born needed special protection, and that the handicapped child should be given special protection and care before and after birth. Today, in 1989, some people

say: If a child is going to be handicapped, that is grounds for having an abortion and preventing that child from being born. I keep wondering what happened to us in the last thirty years that made us give up all those values we had acquired since the age of Hippocrates and even before then—Hippocrates said that a doctor had no right to suggest or give medication that would result in the death of a patient, and he even said that one should never offer a woman a pessary to induce abortion. Since that time and even before then, since the time of Hippocrates, that great Greek physician, we as a society have taken the position that we should protect human life, the life of the child yet to be born and the life of any person. And now we are qualifying that position, when we say that if the child yet to be born will be handicapped, we should not allow it to live.

I think we have reached a sorry stage in the history of human civilization. Incidentally, this is not a typically Canadian problem. It is a problem the world over. I keep thinking that we are very regressive in the way we look at things, and I find this very sad.

[*English*]

The bill that we have before us today is deficient in a number of ways and I will spend the next few minutes expressing the amendments that I would like to see to this bill in order to make it acceptable.

First this bill states, in its first sentence, that abortion is wrong. In other words, "Every person who induces an abortion—is guilty of an indictable offence and liable to imprisonment". This, of course, makes the clear statement that abortion is a criminal offence and should be treated as a crime.

However, the bill is deficient as it goes along. First of all, we are discussing here a term of imprisonment not to exceed two years. I would submit to my colleagues in the House of Commons that if we are to consider abortion to be a crime, a term of two years does not reflect the fact that it is a crime. I believe that that penalty should be stricter and should reflect the seriousness of that statement.

Criminal law does two things; one, it punishes a guilty individual or an individual who behaves in a way unacceptable to society as a whole and, second, it makes a statement of where we stand in that society. It makes a statement of what we think is right and what we think is wrong. If we are to consider abortion to be a crime, which this bill does, then surely the punishment should reflect that. That sentence of the bill continues:

> —unless the abortion is induced by or under the direction of a medical practitioner—

I will speak in a few moments on when I think abortion should be permitted which, as some of my colleagues may have detected by now, is not very often. In any case, before we get to that point, I do not believe that an abortion should ever be induced, on the few occasions where they should be, by anyone other than a doctor. Where the sentence says "induced—under the direction of" I believe that an amendment would be necessary to the bill.

The other deficiency that I see in this bill is that the next sentence continues and says:

> —a medical practitioner who is of the opinion that,—

It describes when the abortion should be performed. I think that bill should be amended to say, starting with the same sentence, "—unless the abortion is induced by a medical practitioner having received the opinion of two other medical practitioners stating that the abortion is necessary".

In other words, I do not believe that Henry Morgentaler should say: "Abortion is necessary for this woman and, by the way, I will do it right now." I do think that the medical practitioner should be giving an independent opinion. As a matter of fact, I think there should be two of them.

I want to read further because my time is close to ending. The sentence of the bill continues:

> —if the abortion were not induced, the health or life of the female person would be likely to be threatened.

I think that that should be changed to say only: "the life of the female person would likely be threatened". The word "health" in the previous section of the Criminal Code was completely bent out of shape from its original meaning and we are inviting that by putting it in the bill this time again.

I would like to have commented quite a bit more about this bill. I hope to have the opportunity to offer some of the amendments which I think would go a long way toward making this bill a bill which will protect human life from the time of conception.

Mr. Deputy Speaker: It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

COMMUNICATIONS

CANADIAN OWNERSHIP

Mr. Ian Waddell (Port Moody—Coquitlam) moved:

That, in the opinion of this House, the government should ensure that key communications tools, such as radio and television broadcasting, remain in Canadian hands.

He said: Mr. Speaker, I am pleased to rise on behalf of the New Democratic Party as our party's communications and culture critic to present this very important motion to the House.

While this motion addresses the question of control or ownership of communications tools, it gives us in the House an opportunity to address the issue of foreign control over our culture and what we can do about it.

The issues of communications broadcasting, control of culture and our cultural independence are issues that will be among the key issues of the 1990s. They, the environment and other issues, will be the issues we will have to deal with in a decade because we are going to see change very rapidly. We are going to see new technologies. We are already seeing that in communications and the effect it has on our culture.

Here is the problem. Recently, one of my assistants went into a video store in Ottawa and looked at the foreign film section where he found not one but several Canadian films including *Grey Fox*, *The Decline of the American Empire* and other films. I think this symbolizes why this debate is so important. They are not foreign films. They are Canadian films.

As John Gray, the noted playwright and performer from Vancouver has written, and I quote: "Increasingly, American mass culture is being seen by Canadians as normal culture and Canadian mass culture as abnormal culture. Canadian artists have moved to the fringes of our own country". I think he puts it very well.

Karl Deutsch, in a famous thesis, has written that the test of nationhood is that more communications take place within a country than between that country and another. In many ways Canada is failing its test. I will continue my speech after the interruption from the Senate.

THE ROYAL ASSENT

[*Translation*]

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

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

And being returned:

Mr. Deputy Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill S-2, an Act to implement conventions between Canada and the Grand Duchy of Luxembourg and Canada and the Polish People's Republic and an agreement between Canada and Papua New Guinea for the avoidance of double taxation with respect to income tax.—Chapter 20.

Bill S-5, an Act to authorize the Safeguard Life Assurance Company to be continued as a corporation under the laws of the Province of Quebec.

Bill C-42, an Act for granting to Her Majesty certain sums of money for the government of Canada for the financial year ending the 31st March, 1990.—Chapter 21.

PRIVATE MEMBERS' BUSINESS

[*English*]

COMMUNICATIONS

CANADIAN OWNERSHIP

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

That, in the opinion of this House, the government should ensure that key communications tools, such as radio and television broadcasting, remain in Canadian hands.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, as I was saying before the interruption, many of our important cultural industries are foreign controlled and many others, such as private television stations, are controlled by Canadian corporations, but they merely serve as conduits for American cultural material. In other words, the majority of programs are American.

Look at the situation in our country—3 per cent of film profits stay in Canada; 97 per cent of film distribution is done by American and international companies. Of video cassette sales, 3 per cent are Canadian. Canadian publishers own 30 per cent of our market. Seventy-eight per cent of magazines sold in Canada are foreign; the rest are Canadian. There are more hours of U.S. newscasts available on Canadian television than there are Canadian newscasts.

In a newspaper ad last year the Friends of Canadian Broadcasting spoke of a typical Canadian child. This child spends over 80 per cent of her television time watching American programs. She spends as much time watching American programming as she does attending school.

The average teenager in this country spends about 24 hours a week watching television. The majority of that time for Anglophones, about 80 per cent, is spent watching foreign programming, and for Francophones about 50 per cent. Now our people have to be open to the world. We live in a global village as Marshall McLuhan, the great Canadian communicator, said. But we also have to have our people see Canada. As I said, Karl Deutsch said part of the role of keeping a nation together is that we can communicate with each other. We have a vigorous country and we have to be showing each other what other parts of the country are like. We also have a vigorous Canadian artistic community that is looking for opportunities to perform and to show their cultural creations to Canadians.

The fact is, Mr. Speaker, we need vigorous government measures both to encourage the development of Canadian domestic industries and structural changes to limit foreign controls over our markets in broadcasting, telecommunications, publishing and so on.

A government in the past introduced a number of measures of this type, such as Bill C–54, in the mid–1970s to protect our publishing industry. It worked. There was an outcry at that. There was a lot of reaction by the Americans, but we held strong. But you need a government that has a lot of courage. That is not something that has been apparent with this particular government.

The Mulroney government has been indifferent to goals, sometimes hostile to these goals of Canadianizing our culture. I will give you some examples. The first example is the free trade deal. It was not supposed to affect Canadian culture. Do you recall the pamphlet that was put out at the time of the last election campaign? It was entitled "What's the big deal on free trade?" by Rick Salutin and Terry Mosher. I will just quote one of the pages because I think it puts it better than I can. The headline is, "I don't care much about Canadian culture. I watch a lot of American TV." And it goes on to talk about the problem there. It states:

> Wait a minute. What's this got to do with Canadian popular singers?
>
> After this deal, there won't be any new ones. The U.S. record companies up here who help Canadians get started, will close and move back to the States. Canadians who want recording careers will have to go down there like they used to do, and they'll have to sound like Americans if they want to make it.
>
> I heard the deal says we have a right to support our culture.
>
> It says that. But get this. If our policies to support our culture cost the Americans money here in Canada, then they can penalize us through their trade laws!
>
> Come again?
>
> For instance, let's say our government does something to help Canadian writers or Canadian recording companies.

• (1720)

Let me add to that, or Canadian film makers, which they had proposed to do before the deal.

> All the Americans have to do is say that they lost some record or book sales in Canada, because of those policies. The U.S. gets the right to halt our fish or grain or manufactured goods from going to the States, until we stop helping our own artists.
>
> That's ridiculous. It's our country and our culture. What can our government do to them if they act that way?
>
> Nothing. Our government has already agreed to it. It's in the deal.

That puts it very well. That is the problem in the trade deal. The fact is, if I can be more technical, the Americans can take measures of equivalent commercial

effect if we interfere in their broadcasting, or in their film distribution, or in their magazine policies in Canada. That is giving up a lot of our sovereignty. That is one of the reasons that we have to change this trade deal.

The government has abandoned its film distribution policy. In contrast to the Broadcasting Act the government has rejected the key recommendations of the Standing Committee on broadcasting to protect the Canadian market. I will come back to that in a moment.

The Prime Minister himself recently has had meetings with the big international publisher, Robert Maxwell, over newspapers. I predict that we could easily become a satellite of not only other countries but of big communications multinationals once people like Rupert Murdoch and Robert Maxwell get control of Canadian newspapers.

All the Canadian government has to do is drop the 30 per cent requirement. I think it is 30 per cent, which is the limit of foreign ownership in newspapers. Once the government drops that then even our newspapers will be taken over. So look out *The Globe and Mail*, *The Toronto Star*, Southams, and some of those other people who treat us politicians so well.

The government has applied the Baie Comeau policy inconsistently. The Baie Comeau policy is a policy that states if there are takeovers in the United States of companies that have subsidiaries in Canada, then the Canadian companies have to be put up for sale to Canadians. In the New American Libraries case the government said, "We will just ignore and forget about that policy."

Let me give you a response to that the government should take. We believe in the New Democratic Party that there are Canadian firms that produce the overwhelming majority of Canadian cultural products, that we have a viable industry and that it is worth encouraging. We have to protect our culture.

People generally believe in an open-market system. In this world, as I have said, it is an open world. But even the most sophisticated countries, including the States, protect their own culture. We could get really steamrolled by the American steamroller, if you like.

In film distribution Jack Valenti of the American film industry, the great lobbyist, a friend of the president, came to Toronto last week and threatened Canadians. Basically he said, "You had better listen to us." They were bully-boy tactics from the American film industry, so that the Americans can still control 98 per cent of film distribution in Canada.

I introduced a bill which would make structural changes in this market. It would require that we change the current situation. In other words, we would give a slice of the market—I think it is about 15 per cent—to Canadian distribution companies. That is really radical. That is what we propose to do. This government backed away from it, tore up the bill and simply backed away in the face of the American threat.

We have to fund the public broadcasters adequately, the CBC in particular. This government has cut back since it came to power in 1984. In its first four years it cut back from its budget to the CBC of about $970 million to about $770 million to the CBC. We have seen another $140 million in cutbacks. The new management has great plans for the CBC. But we are still facing the possibility of cutting regional programming, cutting news, putting commercials on *The National*, and so on. We need a five-year plan for the CBC so that it has adequate funding and so that there is no political interference in the CBC, as we could have now when the managers have to ask for more money.

In book publishing, we need a vigorous enforcement of the Baie Comeau policy. We need distinctive Canadian laws on concentration of ownership in the mass media. We cannot let the mass media be owned by just a few people. We have to insist that they remain in Canadian hands.

On television programming, the CBC should be encouraged to produce 95 per cent Canadian content in drama. The private sector must produce 50 per cent Canadian content in prime time between seven o'clock and eleven o'clock. If the private sector does not do it, then we take the licenses away and we get other Canadians who will do it, who will be pleased to get into the private market.

In telecommunications, the Conservatives, supported I might say by the Liberals sometimes, are extending the realm of what we call "in hand services", Call-Net. The Call-Net case is a good example. They are starting to open the door to American giant telephone companies.

We need to maintain a distinctive Canadian phone system. Bill C-41, a new bill, will have, first, Canadian control over the Prairie telephone companies. We know what this government will do. It will deregulate it and telephone rates in Manitoba, Saskatchewan and Alberta will shoot up for the average person. That has to be stopped.

We need a status of the artists legislation in this country to support Canadian artists, to give them access to social services and at the same time to consider their particular tax situation. It was done in Quebec. It can be done in Canada as a whole.

[*Translation*]

There is also a problem in Quebec. The French network, especially the CBC's French network, must produce more programs than the English network, but with a smaller budget. Therefore, we see fewer and fewer quality television dramas in French. I am quoting Quebec's creative community. The coalition for the defence of the CBC's French services came to testify and told us that they were forced to work in the studio because outdoor settings cost too much.

It takes money and resources to rival *Dallas*. The CBC must have resources if it is to protect and promote francophone culture.

[*English*]

So we have to upgrade Radio-Canada as well.

I will conclude with this. I have talked about the intent of the motion, which is to deal with the Canadianization of key communications tools, radio and television. It is important that they remain in Canadian hands.

Herbert Marcuse, the deceased philosopher of the 1960s and 1970s, writing in *Eros and Civilization* had this to say about culture and art: "Art in its privileged connection to the unconscious is able to express and evoke thoughts, feelings and desires otherwise denied expression". The artist, as Marshall McLuhan said, really looks to the future. The rest of us live in a rear view mirror society. The artist in many ways is in the future.

• (1730)

The Canadian artist is in fact setting the stage for the future direction of Canadian society. That is why we have to let our people see Canadian artists and appreciate Canadian artists, whether it is theatre, film, dance, writing, publishing, or journalism. They are all in their own way Canadian artists. We have to make this available to Canadians.

We know in Canada that the public network, the CBC, is underfunded and cannot live up to Canadian content requirements. We know that the private sector is in fact not doing its job. That is what the Caplan-Sauvageau report said. We have to encourage it. This government has backed away in every instance from that.

A country where video stores advertise Canadian videos as foreign films better pull up its socks in terms of culture. This is a highly competitive world in culture as in every other matter. We have to take measures, as I have outlined here, in broadcasting, telecommunications, in the status of the artist, and in other ways to protect Canadian artists and Canadian culture and allow Canadians to communicate between themselves in this great country.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, this motion speaks to keeping tools of communication, that is radio and television, in Canadian hands. That is the text we were presented with in speaking to the motion of my colleague. I would suggest that it goes further into other areas of serious concern, and the first I would suggest is that of our artists.

It must be recognized in today's society—and the minister pointed that out most succinctly this morning—that if we do not recognize the status of the artists in Canadian society and give them their due respect and acknowledge through concrete earning power their right and place in society, we will never be able to promote who we are and what we are through the voice of the distinctive Canadian artistic talent that does express who we are in our society. I think it leaves us impoverished in many ways.

As Canadians we truly live in a culturally occupied country. Some 80 per cent of our publishing industry is in foreign hands, 97 per cent of films shown in Canada are foreign, 85 per cent of records and tapes are based on imported master tapes. In broadcasting, 71 per cent of all programs viewed by English speaking Canadians on television are produced by Americans. The figure is much lower in French speaking Canada, but as globalization takes place that will be impacted too.

Indeed, defining and enhancing Canadian culture goes far beyond radio and television. School books, audio-visual documents, videos, literary and general works, scholarly and specialized books and magazines are also key, everyday tools used to train and educate new generations of Canadians. They shape our collective imagination, build the myths that frame our destinies, develop our perceptions, attitudes, beliefs and behaviour, and influence our way of living. That is not to leave aside the whole culture of sports: Canadian football, rugby, soccer, lacrosse, and our two new baseball teams are making baseball viewing the fastest growing sport on our television sets, and of course there is *Hockey Night in Canada*. Without it, what would Saturday night in Canada be like for tens of thousands of Canadians? That is all part of the culture of Canada.

I believe they can be powerful means of asserting national unity and national identity, if we would have access to those cultural skills as portrayed in a variety of ways in our theatres, on our screens, and in our libraries.

The former publisher of *Saturday Night*, John MacFarlane, has said it so well: "It is important as a country to make the distinction between importing merchandise and importing culture. Wearing foreign shoes and driving foreign cars won't make us any less Canadian, but without our own culture, we're nothing more than a colony".

The Tories used to believe this too. In 1932, Prime Minister Bennett when introducing the first Canadian Radio Broadcasting Act stated: "This country must be assured of complete control of broadcasting from Canadian sources, free from foreign interference or influence. Without such controls, radio broadcasting can never become a great agency for communication of matters of national concern and for the diffusion of national thought and ideals, and without such control, it can never be the agency by which national consciousness may be fostered and sustained and national unity still further strengthened".

I am going to have to ask my colleague to take over, please.

Mr. Lyle Vanclief (Prince Edward—Hastings): Whatever happened to that strong Tory voice? Did Mr. Bennett's worst fears come true? Because, despite this firm conviction, foreign companies were able obtain an advantageous position in Canadian broadcasting?

In 1968, a new Broadcasting Act was introduced which clearly stated that the Canadian broadcasting system must be effectively owned and controlled by Canadians so as to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada.

As a result, through the courageous Liberal Canadian public policy enacted between 1969 and 1973, foreign firms divested themselves of interest in 55 cable broadcast firms, 13 television stations, 10 radio stations, and one short wave transmitting station. Canadian buy-back transitions totalled almost $150 million. These events benefited the entire Canadian economy with broadcast earnings jumping by 700 per cent and before tax profits by 550 per cent between 1968 and 1973. The number of jobs available to Canadians also doubled. Today these Canadian firms are among the healthiest and most profitable in the country, using the cutting edge of technology and breaking new frontiers.

This government has said it is in favour of increasing Canadian control of our key cultural tools. I believe we must go even further than the motion of the hon. member for Port Moody—Coquitlam, for if we look at the government's record it is not encouraging. It has failed to include within a new broadcasting bill an 80 per cent Canadian ownership, a requirement which was recommended by both the Caplan-Sauvageau report and the Standing Committee on Communications and Culture. As a result, I will be introducing an amendment that will provide for 80 per cent Canadian ownership requirement, which I hope this government will have the vision to accept.

It also caved in to the American scorched earth threats on book publishing, the most blatant example being the purchase of Ginn and Company, without full control being divested to Canadians. Canadians have 51 per cent equity but major decisions can be vetoed by the majority shareholders, the Americas. Many of our national cultural Crown corporations do not even require board members to be Canadian citizens. This I hope to remedy soon through a Private Member's Bill.

• (1740)

In conclusion, broadcasting and the daily press in Canada have almost entirely been controlled by Canadian owned firms. Through the years the goal of Canadian ownership has been continually upheld.

A 1985 film industry task force concluded that in sectors where foreign domination remains strong, publishing and film, Canadian works distributed by indigenous companies are confined to a marginal position in the market. These same Canadian companies are constantly troubled by problems of undercapitalization and financial instability which prevent them from responding to the social, economic and cultural needs of the country. Therefore control of the communications industry is the bedrock of Canadian cultural sovereignty.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Before recoginizing the next speaker, I would simply like to point out that, since House did not object, I assumed that the Hon. Member for Prince Edward—Hastings (Mr. Vanclief) could speak when not in his seat. I think parliamentary tolerance allows it.

Having said that, I now recognize the Hon. Member for Kamouraska—Rivière-du-Loup (Mr. Plourde).

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

The Acting Speaker (Mr. DeBlois): The Hon. Member for Port Moody—Coquitlam on a point of order.

Mr. Waddell: Mr. Speaker, I know that the Hon. Member for Mount Royal (Mrs. Finestone), my colleague and cultural affairs critic of the Liberal Party, is sick today. Should she come back to the House, she could perhaps spend a few more minutes on another speech.

The Acting Speaker (Mr. DeBlois): The chair is in the hands of the House. The Hon. Member for Kamouraska—Rivière-du-Loup.

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Mr. Speaker, I only hope that the Hon. Member for Port Moody—Coquitlam (Mr. Waddell) did not put a curse on us with his Motion No. 178, for I am anxious to make my remarks without choking.

Mr. Speaker, the Canadian ownership of radio and television broadcasting in this country has been an issue of great concern for all Canadian governments ever since the first Canadian broadcasting legislation was introduced by a Conservative Government in 1932. Under that legislation, the radiobroadcasting spectrum was considered as being in the public domain and subjected to regulations in the public interest.

When he introduced the original radiobroadcasting legislation, the then Prime Minister R.B. Bennett stated, and I quote:

> First of all, this country must be assured of complete Canadian control of broadcasting from Canadian sources, free from foreign interference of influence. Without such control radio broadcasting can never become a great agency for the communication of matters of national concern and for the diffusion of national thought and ideals, and without such control it can never be the agency by which national consciousness may be fostered and sustained and national unity still further strengthened.

These remarks may be even more fitting today than they were in 1932. The Legislator has tried, in the Canadian radiobroadcasting legislation, to keep up with the times.

As a reflection of the changes is media ownership Paragraph 3 (*b*) of the Broadcasting Act of 1968 which is still in force today provides that the Canadian broadcasting system should be effectively owned and controlled by Canadians so as to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada.

An order is council containing the directives issued to the CRTC concerning the ability of some Canadian corporations to hold a broadcasting licence has further defined this section of the Act.

The motion under consideration today refers to the key communication tools of broadcasting companies operating in Canada. We are not dealing here with broadcasting companies which broadcast in countries other than Canada and whose signal Canadians can receive. This is altogether a different issue.

Clearly the Canadian Government could neither ensure that Canadians own and control broadcasting undertakings outside the country nor require that the latter hold a licence to broadcast programs aimed at Canadians.

The Government broadcasting policy is not to restrict access to foreign programs, but rather to ensure that the Canadian broadcasting system offers a satisfactory choice of high quality Canadian programs.

Mr. Speaker, the legislation introduced by this Government proceeds along those lines.

First, the Bill reconfirms the principle that the radio spectrum is public property and must be regulated in the interests of all Canadians.

It further states that the broadcasting system provides through its programming a public service essential to the maintainance and enhancement of national identity and cultural sovereignty.

Second, the legislation uses the wording of the 1968 Act, which provides that the Canadian broadcasting system should be effectively owned and controlled by Canadians.

Third, concerning the increasing use of non-Canadian programs in our broadcasting system, the legislation expressly empowers the CRTC to regulate the provision of programming services, even from foreign sources, by broadcasting undertakings.

Under that paragraph, Mr. Speaker, it would be the Commission's duty to strike the most appropriate balance between Canadian and foreign programs. In my view, this is an approach that a majority of Canadians would support.

The definition of "effectively owned and controlled by Canadians" would still be determined by the Governor in Council. This provides the Government with the flexibility needed to specify what is a Canadian corporation under the Act.

The current direction concerning Canadian corporations eligible to hold a broadcasting licence are contained in eight paragraphs covering two pages. However, the Standing Committee on Communications and Culture in June 1989 recommended that the direction be made more specific, in terms especially of the provisions concerning paid-up capital.

To show how complex that kind of regulations can be, I would like to read into the record parts of the current direction, which was drafted to be as specific as possible. The direction starts at Section 2, and I quote:

> The Canadian Radio Television and Telecommunications Commission is herby directed that, on and after January 12, 1971, broadcasting licences may not be issued and renewals of broadcasting licences may not be guaranteed to applicants of the classes described in Section 3.
>
> Section 3. The classes referred to in section 2 are as follows:
>
> (*a*) persons who are not Canadian citizens or eligible Canadian corporations; and
>
> (*b*) governments of countries other than Canada or of political subdivisions of countries other than Canada and agents of such governments.
>
> Section 4. For the purposes of this Direction, an "eligible Canadian corporation" is a corporation
>
> (*a*) that is incorporated under the laws of Canada or a province,
>
> (*b*) of which the chairman or other presiding officer and each of the directors or other similar officers are Canadians citizens, and
>
> (*c*) of which, if it is corporation having share capital, at least four-fifths of the shares having full voting rights under all circumstances and shares representing in the aggregate at least four-fifths of the paid-up capital are beneficially owned by Canadian citizens or by corporations other than corporations that are controlled directly or indirectly by citizens or subjects of a country other than Canada.
>
> Except that, in any case where, in the opinion of the Commission, notwithstanding that the corporation is one to which subparagraphs (*a*) to (*c*) apply, the corporation is effectively owned or controlled either directly or indirectly and either through the holding of shares of the corporation or any other corporation or through the holding of a significant portion of the outstanding debt of the corporation or in any other manner whatever, by or on behalf of any person, body or authority of a class described in section 3, the corporation shall be deemed not to be an eligible Canadian corporation.

• (1750)

The Governement has already stated its intention, Mr. Speaker, in the Broadcasting Bill to keep the legislative and regulatory provisions concerning Canadian ownership of the electronic media in Canada.

Mr. Speaker, in conclusion, broadcasting is perhaps the most important of our cultural industries. This legislation is part of the Government's commitment to protect and strengthen Canadian cultural sovereignty.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to take part, however briefly, in this debate on the motion introduced by our NDP colleague, which read as follows:

That, in the opinion of this House, the government should ensure that key communications tools, such as radio and television broadcasting, remain in Canadian hands.

[*English*]

Not only should those vital instruments remain in Canadian hands but, as my distinguished colleague from Mount Royal said so eloquently, it is important that those institutions in fact be controlled by Canadians. Situations such as these have happened in the past; for instance, in the book publishing industry where Americans bought minority shares but got majority votes in terms of decisions in the case of that industry, which is not appropriate for our country.

If we speak of the big screen, of movie theatres, there is something rather interesting that happens. It has been said before—and I believe my colleague from Mount Royal mentioned this as well—that some 3 per cent of the screen time is presently Canadian and the rest of course is foreign, most of it being American.

I was at a meeting of the Canada–U.S. Interparliamentary Group some two years ago. It was the Americans' turn to have the meeting and it was in Key West, Florida. I see my colleague across the way from Burlington who was also at the meeting. We were all discussing this issue with American legislators, congressmen and senators. They had been lobbied extensively before coming to the meeting by Jack Valenti. That was obvious. They even admitted to that in discussions that we had.

It was interesting that they all came into that meeting feeling how unfair Canadians were because we were restricting the Americans in their opportunity to invest in and to work in this field in Canada in a way that was unhindered, and that we should not put those unfair road blocks there, according to the senators and congressmen who had just been lobbied by Mr. Valenti.

In discussing this with them we asked one American congressman how he would feel if he watched film after film and never saw a place in his own country, never saw a scene where he had actually been in the country where he had lived all his life and where he was born. We asked: "Would you, as Americans, accept that?"

They said: "Of course not. That would be intolerable. We would not accept having only films from England in the United States. That just would not do".

We said: "Did it ever occur to you that 3 per cent of what we see in Canada is ours, only 3 per cent, and Jack Valenti is telling you that that is too much?"

They looked at it and said: "Maybe if you put it that way, I suppose it is worth looking at again."

What this tells me, apart from the fact that Mr. Valenti and others are extremely powerful lobbyists in the United States, is that they do not exactly give a straight bill of goods to American legislators. They do not represent the true facts to them. Therefore, often the only view that the American senator and congressman have of our country is that presented to them by these lobbyists with their own vested interests trying to control the whole industry.

We are not talking about something small here. We are talking about a $6 billion industry. We are talking about a lot of money. Therefore it is quite easy for lobbyists on the part of that industry to put out very glossy brochures and very effective and dramatic examples of some effort that we may have done to protect our Canadian culture and to exaggerate, way out of proportion and in very dramatic ways, to show their own government officials how we as Canadians according to them are unfair.

The only unfairness is the unfairness to our own citizens that we do not protect our culture enough in this country, and that we must be very vigilant in that regard. We must protect both the Canadian content itself and, not as some have said, just the container. We must protect the ownership of the industry. We must protect the availability of programming to Canadians. We must ensure that the decision-making ability remains Canadian as well.

Since I do not want this item to be talked out, I would like to see it voted in the affirmative. I will, at this point, terminate my remarks. Hopefully, we could vote on this item immediately.

[*Translation*]

The Acting Speaker (Mr. DeBlois): We still have some time left. Are other Hon. Members seeking the floor? The Hon. Member for Laurentides (Mr. Vien).

Mr. Jacques Vien (Laurentides): Mr. Speaker, you are aware of the significance which both French and English speaking Canadians attach to the issue of cultural sovereignty. As could be seen throughout the public debate on free trade, it is vital and the very foundation of our great country.

During the last election campaign our government made a firm commitment to the people of Canada, assuring them that our cultural legacy would no go on the auction block. The motion before the House has to do with the cultural sovereignty issue. Government directives concerning Canadian control over the ownership of broadcasting companies are aimed at ensuring that our means of communication reflect our history, our culture, and our projects for the future.

Our determination to strengthen the rules applicable to Canadian control over broadcasting companies can be explained in part by the evolution of our society. Among other things, I have in mind economic development as it relates to regional disparities, the demographic trends of both linguistic communities and our multi-ethnic components, scientific progress—

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the Hon. Member for Laurentides but the time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

• (1800)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

EMPLOYMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, on October 20, I asked the Minister of Employment and Immigration to implement a special program to replace the 6,000 quality jobs lost in Montreal since the beginning of 1989, but the minister did not give me an adequate response.

[*Translation*]

Mr. Speaker, it was reported in an article which appeared in the October 14, 1989 issue of *La Presse* that, and I quote: "In the first nine months of the year, Montreal companies have issued 83 permanent mass lay-off notices involving the loss of some 6,000 jobs. In the same period last year, they issued 76 notices of their intention to lay-off 5,000 workers. This represents an increase of 18 per cent."

[*English*]

Each time that we raise this issue with the government, it proudly announces how many jobs have been created since 1984 when this government came to power. On October 20 the minister told us that 160,000 jobs have been created in Montreal since 1984, but of course she never tells us the nature of these jobs or where they are to be found, what kind of jobs and in what firms.

On the other hand, I would like to put on record with the minister and the government where the 6,000 jobs have been lost since the beginning of this year.

Since this year the following job losses have been announced in Montreal: Gillette, 590 jobs; Weston Foods, 360 jobs; Allergan Pharmaceutical, 62 jobs; Kraft Foods, 290 jobs; Warnaco Corporation, 140 jobs; Central Guarantee Trust, 30 jobs; Simpson's, 1,100 jobs; Forsythe Shirts, 50 jobs; Canadian Marconi, 300 jobs. Geoffrion-Leclerc, 300 jobs; Northern Telecom, 250 jobs; Compagnie un Belage Summerville, 180 jobs; Hostess, Frito-Lay Corporation, 110 jobs, La Belle Fermiere, 80 jobs; Rothman's Benson and Hedges, 239 jobs; Montreal Vickers, 380 jobs; Progress Corporation, 75 jobs; Johnson and Johnson, 86 jobs; M. A. N. Ashton Inc., 250 jobs; Leviton Manufacturing of Canada, 175 jobs; Lawson Martin, 85 jobs; Unisys, 230 jobs; Domtar, 500 jobs; VIA Rail, 913 jobs; and Eastern Airlines, 200 jobs.

In June the Economic Development Commission of Montreal published a report indicating that the unemployment rate in 23 Montreal neighbourhoods is over 15 per cent while in six neighbourhoods it is over 20 per cent. We also have articles that I could quote from *Le Devoir* of Montreal pointing out that one out of five Montrealers are suffering from hunger. At a recent meeting in Montreal to mark World Hunger Day the

different associations that work with the hungry and with the poor in Montreal were able to verify those figures.

The Minister of Finance predicts an unemployment rate of 8.5 per cent in 1990, the Bank of Montreal predicts an unemployment rate of 9 per cent in 1990, and Jim Frank of the Conference Board of Canada has warned us that a risk of recession will be higher in 1990 than at any time since 1982. If we put all those things together the situation is serious.

• (1805)

As I said at the beginning, the parliamentary secretary who is here to answer me this evening will probably cite the same sort of figures that the minister did on October 20. He will say how thousands of jobs are created, but he will not tell us what kinds of jobs those are. He will not tell us in what firms those jobs are to be found, nor will he tell us that most of those jobs are minimum wage, non-union, part-time or temporary jobs; in other words, not the quality type of jobs that were lost, which were enumerated in a long list that I put before the House.

The Social Planning Council of Greater Toronto—and there are not similar figures for Montreal—recently pointed out that 90 per cent of the new jobs in Toronto were in the low paying service sector. Once again I appeal to the government. I appeal to these fine gentlemen opposite because I know they have good hearts to consider the 6,000 employees who have lost their jobs in Montreal since the beginning of the year. I appeal to them to take specific steps to replace those jobs with quality jobs; not low paying service jobs but quality jobs.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the metropolitan area of Montreal, with its population of 2.9 million, a labour force of 1.5 million, and its diversified activities and infrastructure, constitutes one of the major forces impacting the Canadian economy. Montreal accounts for 11.3 per cent of the population of Canada and 11.7 per cent of its labour force. It is also the hub of Quebec's economic, social and cultural life and its major urban area.

As for the over-all employment situation, there have been significant improvements over the past five years, especially compared to the experience during the 1980 to 1984 period. In the four years up to August 1984 employment in Montreal declined by 20,000. I wish I had the list to read out in the way the member did. The unemployment rate climbed by 2.3 per cent.

In marked contrast, there were 160,000 more people employed in Montreal in September 1989 than there had been when this government took office in September 1984. Despite vigorous growth in the labour force there are some 38,000 fewer unemployed and the unemployment rate is 3.3 percentage points lower than five years ago. In the last year alone employment is up by 10,000. Unemployment is down by 12,000 and the unemployment rate has dropped to 8 per cent.

Since 1985 there have been a lot of joint actions by various levels of government on the economic situation in Montreal. This includes two major initiatives on the part of the federal government. In 1985 there was the creation of the ministerial committee on the development of the Montreal region to advise the government on how to consolidate Montreal's role as a centre for development. In 1986 there was the creation of the committee for the economic recovery and revitalization of employment in east end Montreal. There have also been concrete initiatives by the federal government, especially Employment and Immigration Canada, to help Montreal. The following are some examples of that.

In 1988-89 Employment and Immigration Canada invested $87 million in the city of Montreal through programs under the Canadian Jobs Strategy. A total of 29,500 people participated in Canadian Jobs Strategy activities in Montreal.

Since the beginning of this year Employment and Immigration Canada has completed 20 agreements under the industrial adjustment service at a cost to EIC of $127,083. A further 29 new agreements have been signed this year with a commitment of $280,000 in funding by EIC. The Industrial Adjustment Service Agreements also involve spending by the province and the private sector so that the total expenditures in Montreal under the completed and new agreements is expected to exceed $1.3 million.

• (1810)

[*Translation*]

The Acting Speaker (Mr. DeBlois): The time provided for your reply has now expired.

Adjournment Debate

The Hon. Member for Moose Jaw—Lake Centre (Mr. Laporte) has the floor.

[*English*]

AGRICULTURE—REMOVAL OF OATS FROM CANADIAN WHEAT BOARD—RESULTS OF DECIMA POLL

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rose in the House on May 4 last to question the Minister of Agriculture with respect to the future of the Canadian Wheat Board, particularly with respect to oats under the jurisdiction of the Canadian Wheat Board which at that time had not yet been removed.

My question to the minister was this: If it could be demonstrated that a large majority of producers in western Canada did not want oats removed from the jurisdiction of the Canadian Wheat Board, would the minister heed those wishes and in fact would the minister allow the producers in western Canada to decide the future of their own Canadian Wheat Board?

The minister did not answer my question. Instead, he simply went on to state that there had been ongoing consultations.

In the supplementary part of the question he again did not answer but outlined some of the groups which had been consulted. These included, as reported in *Hansard*, the United Grain Growers Association, the Canadian Western Wheat Growers Association, the Western Barley Growers Association, the Prairie Canola Growers Association, the Alberta Pork Producers Development Board, the Alberta Sheep and Wool Commission, the Cattlemen's Association, the Manitoba Farm Business Association, the Manitoba Hog Producers Marketing Board, the Saskatchewan Marketing Board, the Government of Manitoba, the Government of Alberta and the Government of Saskatchewan.

It is all very well to have consulted these groups, but I am wondering what o these groups have to do with the future of oats under the Canadian Wheat Board.

With respect to the United Grain Growers and with respect to the Canadian Wheat Growers Association, it is valid to consult those groups because they in fact have oats producers with them. But I would like to know what the Alberta Sheep and Wool Commission has to do with the production of oats in western Canada.

Further, what does the Cattlemen's Association, the Manitoba Farm Business Association, the Manitoba Hog Producers Marketing Board and the Saskatchewan Marketing Board have to do with it? They do not grow oats. What does the Western Barley Growers Association and the Prairie Canola Growers Association have to do with it? They do not represent oats producers; they represent other commodities.

Mr. Speaker, what the minister failed to point out was that there had been a Decima poll that had just been completed at that time. The minister knew about it. That poll pointed out that well over 70 per cent of producers in western Canada felt that they had not been consulted on the oats issue. Furthermore, fully two–thirds of producers in western Canada wanted to have oats remain under the jurisdiction of the Canadian Wheat Board.

What the minister failed to point out was that the prairie wheat pools were not consulted, specifically the Saskatchewan Wheat Pool which is probably the largest individual farm organization in the country and which opposed the removal of oats.

The minister did not indicate that the Canadian Federation of Agriculture actually passed a resolution at its last convention saying that oats should not be removed without a vote by the producers in western Canada. The minister did not even point out the fact that the advisory committee to the Canadian Wheat Board had not been consulted. The Minister for Grains and Oilseeds has pointed out that he had no obligation to consult with the advisory committee of the Canadian Wheat Board. The advisory committee of the Canadian Wheat Board is a democratically elected body representing some 140,000 permit book holders in western Canada. It is there to advise the wheat board.

It is true that the minister does not have to consult with the advisory committee to the Canadian Wheat Board, but there is no obligation for him to consult with the Alberta Sheep and Wool Commission either. I would think it is much more logical to consult with the advisory committee to the Canadian Wheat Board than it is to consult with the Alberta Sheep and Wool Commission with respect to the removal of oats from the jurisdiction of the Canadian Wheat Board.

The reason there was no consultation with these other groups that I have mentioned is that they were opposed to the removal of oats from the jurisdiction of the Canadian Wheat Board. The government consulted only with those groups that agreed with its position and certainly not groups germane to the issue at hand, namely, the future of the Canadian Wheat Board.

I again would ask: Why does not the government allow the permit book holders in western Canada to decide the fate and the future of their own wheat board? It is a wheat board that is funded by producers, funded by farmers who are members of the Canadian Wheat Board. They should be deciding the future of that wheat board.

• (1815)

If the member who is going to respond on behalf of the government is simply going to spout some rhetoric and not answer the question, he need not bother, because farmers in western Canada are concerned about their future way of life. They see their way of life eroding and they see the Canadian Wheat Board as an integral part of that way of life.

I again ask this government, will it not allow the producers, the members, the permit book holders in western Canada, those 140,000 farmers, to decide their own fate and to decide the future of the Canadian Wheat Board?

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am pleased to have this opportunity to confirm this government's commitment to consultation when making policy decisions. The commitment was met again when farm groups told us they wanted the responsibility for marketing oats transferred from the Canadian Wheat Board to the private individuals and co-operative companies.

We talked to farmers and farm groups about marketing oats for three years. As well as talking to producers and their organizations, we talked to traders, processors and provincial governments. We were told by many groups that they wanted the change in marketing. These groups included the United Grain Growers, the Western Canadian Wheat Growers Association, the Western Barley Growers Association, the Prairie Canola Growers Association, Alberta Pork Producers Development Corporation, the Alberta Sheep and Wool Commission, the Prairie Cattlemen's Association, the Manitoba Farm Business Association, the Manitoba Hog Producers Marketing Board, the Saskatchewan Pork Producers Marketing Board and the governments of Manitoba, Saskatchewan and Alberta. So you can see the extent of our consultations.

In 1988-89 oats ranked sixth in value among the Canadian export crops and accounted for 4 per cent of the Canadian Wheat Board export sales. This was the peak year for Canadian oats exports because of the drought-reduced crop in the U.S.

Oats is a special crop sold in small quantities with specific quality requirements for human food and racehorse feed. Private traders have the flexibility both to pursue niche markets and to handle bulk sales of feed oats. This flexibility means oats producers will have a marketing system suited to their needs.

The change in the marketing does not affect the quotas, grading and weighing of oats handled by the elevator system. Grain companies and co-operatives will be able to offer pooled price options to producers as they do now with many other special crops. The change in oats marketing is not related to the Canada-U.S. Free Trade Agreement or any other international trade discussion. The decision was based on the merits of the product itself.

The U.S. demand for food oats is growing and Canada's reputation for producing high quality oats means new opportunities for Canadian oats producers. The new system is already providing increased opportunities for oats processing facilities on the prairies.

Can-Oat Milling Inc. recently introduced the building of an oats processing plant near Portage la Prairie, Manitoba, while Con-Agra and Westglen Mills are building a plant near Barrhead, Alberta, as a joint venture. Oats producers will be able to capture premiums offered in these markets.

I am confident this change to the marketing system is the best in the long-term interests of the producers.

THE SENATE

Miss Deborah Grey (Beaver River): Mr. Speaker, it pleases me to rise tonight under Standing Orders 37 and 38 to question the government on a vital matter of political reform.

The House will recall that I raised, on October 30, the issue of the Alberta vacancy in the Senate. The Prime Minister had no answer, indeed seemed unprepared for the question, so I trust the government will have some kind of reply now.

Two years ago this seat became vacant with the resignation of Senator Cameron. It has been vacant since. The House will know how senators have traditionally been appointed and we are seeing some of the consequences of that now with Senator Cogger.

Since the early 1980s there has been a determined move to reform the Senate of Canada. It began in Alberta but since the advent of my party it has grown rapidly. It now is the position of all governments in western Canada, most in eastern Canada, and is gaining a foothold in parts of central Canada. This, of course, is the Triple-E movement. It is enshrined in the legal text of a constitutional amendment drawn up by a reform party sponsored task force and presented to the western premiers in May of 1988.

The idea is to make the Senate elected with an effective veto power over federal legislation and with equal representation from each province. Australia has such a Senate in a parliamentary system like ours and it has served to lessen the regional transfers and regional tensions that have characterized our federal system. In Canada, due to its undemocratic nature, the Senate has lacked the moral authority to fulfil the role of regional representation given it by the Fathers of Confederation.

• (1820)

It is truly unbelievable that in 1989 one quarter of the seats in the Parliament of Canada remain unelected. Indeed, many are reserved for patronage appointments of the worst kind. The irony of this is not lost on the Canadian voter as he gazes in disbelief at our Prime Minister pontificating about democracy on the international stage.

The Prime Minister decided to appoint senators from provincial lists under the terms of the unratified Meech Lake Accord. It is interesting to note that just yesterday, Premier Getty announced that he will rethink his position on Meech Lake if the Prime Minister continues to waver on appointing Mr. Waters. The Prime Minister and others did not count on the strength of the tide for Senate reform sweeping the west. And, as any sincere Senate reformer knows, electing senators is the essence of any reform and certainly not an item for negotiation.

Premier Getty in Alberta wisely agreed to be guided by the electorate in submitting his choice to the Prime Minister. In August of this year, the Alberta legislature passed the Senatorial Selection Act to provide a legislative framework for the Premier's advice to the Prime Minister.

Hon. members will know clearly what happened. Despite the shrill warning of a few Tory MPs, Albertans went to the polls *en masse* on October 16 and voted overwhelmingly for Lieutenant-General Stanley C. Waters, the Reform Party candidate who garnered over 40 per cent of the votes. Liberal, PC, and Independent candidates trailed far behind. The NDP chose not to field a candidate. It is apparently the NDP view that socialism is ideologically incompatible with regional representation.

On October 19, Premier Getty submitted the list of candidates and their vote totals to the Prime Minister in order to satisfy the provisions of both the Meech Lake Accord and the Senatorial Selection Act. So that brings us to today. What is the Prime Minister to do? It is clear there are only two choices: first, he could appoint immediately the clear choice of Albertans, or second, use some other criteria.

I want to review, if I could, three of the red herrings used to argue against Mr. Waters' appointment to the Senate. The first is that the appointment should be delayed until the Meech Lake Accord is finished dying and wreaking its havoc upon federal-provincial relations in this country. This in no way prevents Albertans' clear choice being appointed to a seat that is vacant now.

The second argument is that Mr. Waters is politically unsuited to the position. Indeed, in the eyes of the Secretary of State for External Affairs, he should not be appointed because of his political views. Of course, it is precisely these political views upon which Mr. Waters was elected. Albertans had the option of the PC and turned it down. They wanted a candidate from a party to fight Meech Lake, enforced bilingualism but most of all to fight the goods and services tax and the reckless spending of this government. These views are not widely shared, perhaps, in Ottawa but that is the representation that Albertans want.

This is not only an undemocratic argument; it is also dangerous and untrue. Mr. Waters is a forthright man who shoots from the hip. Under the Trudeau administration, he was commander of the Canadian Army. Since retiring from the Forces, he has been one of Alberta's most prominent businessmen and, indeed, was a very prominent Tory until Preston Manning arrived on the scene. The External Affairs Minister's comments about Mr. Waters' views possibly say more about his own attitude to fiscal conservatives in his own party than they do about Mr. Waters.

Finally there is the argument that this series of events has somehow violated the Canadian Constitution. Let me make my party's position clear here. Under the Constitution Act, 1867, Section 24, it is the Governor General who appoints senators and the Governor General is free to do as he or she pleases. Now we know that the Governor General, by convention, takes advice from the Prime Minister. The Prime Minister may choose to recommend Mr. Waters or anyone else. That is his choice.

I would remind the government, however, that a constitution operates not only according to the letter of the law but also according to a series of conventions, the intention of which is to ensure that the democratic will prevails. Clearly, the Prime Minister has the technical authority to do what he wants, but the political culture of our country clearly says that the right thing to do is to appoint Mr. Waters and appoint him now. If he denies democracy or delays it, it will be clear where he stands with regard to the views of Albertans and their basic right to representation. I trust that whoever answers my question will shed some light on where the government really stands on this issue and Senate reform generally. The government has been suspiciously quiet about where it stands on every one of the three Es in the reform proposal. In both the debate over Meech Lake and over Mr. Waters it is becoming increasingly suggested by Canadians that the government is really trying to block Senate reform in almost any form. Perhaps this is what Premier Getty is beginning to suspect. It seems as though he is definitely concerned about that. Nothing radical is happening here. It is just a start. After 122 years, surely westerners are entitled to that.

• (1825)

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, in an exchange with the Prime Minister on October 30, the member for Beaver River asked whether Canadians can expect to hear of the appointment of Stan Waters to the Senate of Canada.

As the hon. member is probably aware, Premier Getty wrote to the Prime Minister last October 19 while the Prime Minister was out of the country. In his response to the question last Monday, the Prime Minister indicated that he had not yet had an opportunity to consider the matter. Senate appointments remain the Prime Minister's prerogative. It is only reasonable that he have the time to do so.

The hon. member raised a second issue last Monday. She said, "It is not a matter of when but it is a matter of why not reform the Senate". I would like to take this opportunity to respond on behalf of the government.

In August, 1986, all premiers agreed to defer Senate reform to a second round of constitutional discussions when all governments would once again be present at the constitutional table. Once proclaimed, the Meech Lake Accord will guarantee that Senate reform will be a priority agenda item on future annual constitutional conferences by the First Ministers. The Government of Canada is committed to fundamental Senate reform. The Prime Minister has promised to table a proposal for an elected Senate in the first constitutional conference provided by the Meech Lake Accord.

In the meantime, to reflect the federal government's commitment to pursue this important issue, earlier this year Senator Murray carried out a round of informal bilateral consultations on Senate reform with all provincial governments. So, we share the hon. member's belief that there should be fundamental reform of the Senate. That being said, questions have been raised about Alberta's Senate election initiative.

As I see it, Alberta's initiative raises issues that go well beyond filling one Senate vacancy. It touches on the role of one of our two Houses of Parliament and the broad question of how we should go about reforming the Senate. Some commentators noted that a precedent could be created here. Some have said that this is a good precedent, and that they hope other provinces will adopt Alberta's process. Others, including Alberta Intergov-

ernmental Affairs Minister, James Horsman, have said that they do not favour creating an elected Senate in a piecemeal way. Speaking in the legislative assembly last July 26, Mr. Horsman said that a danger inherent in Alberta's proposal was that: "if every province were to do this we could by about 2020 have entrenched in the Constitution of Canada an elected Senate with its current powers".

Mr. Horsman went on to say that no government in Canada would want to see that happen.

Mr. Horsman raised a legitimate concern. Would there not be implications for relations between the two Houses of Parliament if the Senate became an elected body with its current powers which are virtually equal to those of this House and remain untouched? It is a good question.

What would it mean if Ontario decided to elect Senators to fill its three current vacancies, and eventually Ontario and Quebec elected all 48 of their Senators? Having done this and entrenched their supremacy, what incentive would Ontario and Quebec have to talk about Senate representation and powers?

These are all legitimate questions that merit consideration in light of the national implications of this Alberta innovation. Senate reform is very important to the future of the federation. The federal government is committed to its pursuit following ratification of the Meech Lake Accord. However, it is a complex issue which raises a number of questions that might best be addressed together rather than one at a time as part of an effort to achieve reform in a piecemeal way.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 2 o'clock p.m.

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday, November 8, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

ALLEGED UTTERANCES OF MEMBER FROM ST. LEONARD

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, there was a time when people got elected on the basis that Heaven was blue, hell was red. It now appears that, as claimed by the Liberal Member for Saint-Léonard (Mr. Gagliano): "God is a Liberal, and his son is a Christian."

Well now, Mr. Speaker, he is lucky that ridicule never killed anyone, otherwise there would be new elections in Saint-Léonard.

It is almost unbelievable that in 1989 people would utter such absurdities in order to get votes, and that hundreds of Liberals would pay to come and hear them.

At any rate, Mr. Speaker, if the Liberals now believe that God is a Liberal and his son is a Christian, well let the son come to the House of Commons and we will see to it that he drops down into hell!

* * *

[*English*]

AIR DISASTER

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, on June 23, 1985, 329 innocent civilians, mostly Canadians, lost their lives as a result of a terrorist bomb explosion aboard flight 182 from Montreal to Bombay via London.

Extensive media research prominently broadcast on TV and radio has shown that this heinous crime was preventable. There were eight warnings, including a test explosion that pointed to this impending disaster. Yet nothing was done.

Even though an official Indian government inquiry decided that a bomb had been placed on board, Canada has refused to address this matter.

Canadians have been clamouring for a public inquiry. Within the cities of Ottawa and Nepean, 700 friends and relatives of victims have signed a petition for an inquiry.

Last year, an identical terrorist bombing destroyed a Pan American passenger jet in Britain. Recommendations from the Canadian investigation could have averted this additional tragedy.

It is high time this government began the task of looking into this disaster. I strongly call upon Parliament to give Canadians a commitment to hold a royal commission of inquiry into all facts surrounding the Air India disaster of 1985.

This government should get out from under its rock and begin to take some responsibility to prevent these atrocities from ever occurring again.

* * *

AGRICULTURE

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my colleague, the member for South Shore gets up in the House from time to time to claim that his riding has the biggest, fattest lobsters and the biggest, greenest Christmas trees in the whole world.

I would like to take exception to that. In any case, lobsters and Christmas trees are one thing, but there can be no doubt about blueberries. My riding has the biggest blueberries in the country. In fact, we have the biggest pickers, the best producers, the best processors and the largest shippers of fresh blueberries.

The industry is well organized and at the leading edge of technology in this field, but requires some assistance from two areas of the federal government. First, the Day Haul Program from Canada Employment has been crucial to their industry. I urge the minister to maintain this program.

The producers need help in research, development and insect control. I will be asking for help from the appropriate departments in this regard.

* * *

[*Translation*]

RADIO-CANADA

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the CBC's decision not to broadcast the public affairs radio program *Ontario 30* on CBOF-Ottawa any longer is unacceptable. In so doing, the Crown corporation proves that it is indifferent to Ontario's French-speaking community.

Ontario 30 was a link between the various French communities in Ontario. In fact, it was the only French media program to cover all of Ontario. This management decision to end *Ontario 30* in Ottawa, the national capital, is one that I regret. It will only further isolate Ontario's francophones. I therefore ask the Minister of Communications (Mr. Masse)—and I see his Parliamentary Secretary here today—to intervene with the CBC on our behalf, to show that the CBC really meets the needs of the French-speaking minorities outside Québec.

* * *

[*English*]

NATIONAL BURNS AWARENESS WEEK

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, I would like to take this opportunity to urge all members of the House and, indeed, all Canadians to acknowledge and lend their support in the recognition of National Burns Awareness Week.

Burn injuries are one of the leading causes of accidental death in Canada. Children, the elderly and disabled Canadians are the most likely to suffer severe burns. Many could be prevented by the use of smoke detectors, home escape plans and generally through increased public awareness and proper education.

For example, the execution of the "stop, drop and roll" procedure can mean the difference between a minor injury and a fatal one.

The Shriners of North America and the Canadian Association of Fire Chiefs have addressed this problem, and through their efforts, the week of February 4 to 10, beginning in 1990, is being recognized as National Burns Awareness Week.

I commend the efforts of these organizations to all Canadians and strongly urge that they support their work. I also know that the appropriate ministers, in particular, will want to lend their support in recognition of National Burns Awareness Week.

* * *

AIR DISASTER

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I rise to remind all members that this House endorsed unanimously a resolution on September 12, 1983 condemning the Soviet Union for its attack on a Korean civil airliner and the resultant death of 269 innocent people.

To date, there has been no apology or compensation forthcoming to the 10 Canadian families who lost loved ones in this incident, despite the passage of six years.

• (1410)

Given the fact that the Secretary of State for External Affairs has stated with some regularity a consistent position, and I quote from a letter of September 29, 1988, "Canada continues to hold the Soviet Union liable for damages resulting from the downing of KAL-007", I would encourage the Prime Minister to raise this issue with Mr. Gorbachev in his upcoming visit to the Soviet Union. I would ask that the Prime Minister take this opportunity to seek a formal apology and appropriate compensation.

* * *

HEALTH

Mr. Stan Wilbee (Delta): Mr. Speaker, yesterday I had the pleasure of taking part in the opening of the new hypertension unit at the Ottawa Civic Hospital. This revolutionary unit is designed to investigate the causes and treatment of hypertension, a major cause of disability and death in Canadians.

The unit was established through the co-operation of the hospital, government and private participants, and members of the medical community. Major funding was obtained from Sandoz pharmaceutical company as a direct result of Bill C-22, the Drug Patent Act.

This is only one example of the millions of dollars being put into medical research in Canada by the pharmaceutical companies, as promised by them as a result of Bill C–22.

This success story will be repeated all over Canada due to the foresight of this government in passing strong and progressive legislation such as the Drug Patent Act.

* * *

FIRST MINISTERS' CONFERENCE

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, at tomorrow's First Ministers' Conference the leaders of the Yukon and Northwest Territories governments will have official observer status. Despite requests from the territorial governments for full participant status, the federal government has not seen fit to give northerners the voice they are entitled to at these national conferences.

In a media interview in Yellowknife in September, 1988, the Prime Minister committed himself to working on a formula that would allow the territorial leaders and territorial ministers, and I quote:

> —better input in the decision–making process, better presence, better chance to speak out on behalf of the territories and people in the territories.

In the 14 months since the Prime Minister made that commitment we have seen no progress on the status of the territorial government leaders at First Ministers' Conferences.

Simply having the right to make an opening statement is not good enough for the territorial leaders. It is not good enough for the people of the north who see their democratically–elected leaders shut out of the room during subsequent discussions.

This government continues to deny northerners their right to be represented in these critical national discussions which affect them in all areas whether constitutional or economic.

I urge the Prime Minister to take the concerns of the people of the north seriously and allow the two leaders of the two territories to take part in all discussions of the first ministers, as he indicated he would in September, 1988, in Yellowknife.

S. O. 31

EAST GERMANY

Mr. Al Johnson (Calgary North): Mr. Speaker, yesterday we heard that the cabinet of the German Democratic Republic resigned and issued a call for democratic elections of a ruling body.

This occurs following the growing exodus of people from East Germany.

By their actions yesterday, the leaders of East Germany are responding to the will of their people. We applaud the actions of East German leaders and hope that genuine steps to democracy, so well illustrated in the last week, continue in the German Democratic Republic, and that true democratic reform is peacefully accomplished in that country.

* * *

LOW LEVEL FLIGHTS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the so–called DND environmental impact statement regarding NATO flights over Innu territory completely, and one would have to assume deliberately, ignore the devastating impact these flights have on the Innu people.

This morning the Innu filed a legal action against the Government of Canada in order to stop the low level flights and prevent the establishment of a NATO base in Nitassinan. That the Innu should have to resort to this to see their rights protected is a sad statement indeed.

The Canadian government is wasting an enormous amount of money and time trying to justify the unjustifiable. Not only does its proposed base threaten the Innu people, it also represents part of NATO's FOFA strategy which is now more irrelevant than ever, given the changes taking place in Europe. Instead the government should put its efforts and resources into responding imaginatively to Soviet initiatives in Arctic security.

Gorbachev's Murmansk proposal continues to go unanswered. It is time the Prime Minister woke up and responded in a concrete and positive way. Let us see that happen when the Prime Minister visits the Soviet Union later this month.

Canada is uniquely situated geo–politically to promote disarmament in the Arctic. Let us take up our responsibility and develop policies based on common security principles rather than on confrontation and threat. Let

us end the destructive and senseless flights over Innu land.

* * *

THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Conference on Security and Co-operation in Europe met on the environment and just concluded its work in Sophia. Thirty-four of the 35 delegations attending agreed to a plan of action on the transboundary effects of industrial accidents, the management of hazardous wastes, and the protection and use of transboundary watercourses and international lakes.

Pollution in the Canadian Arctic and its sources in Europe was raised, but it was unfortunate that Ottawa did not instruct the Canadian delegation to use this international forum to raise as well North American transboundary issues, namely, acid rain and transboundary air pollutants that damage ecosystems and economies. We missed an opportunity to send a strong signal to the U.S., through the U.S. delegation in Sophia.

Transboundary issues remain a high priority on our bilateral agenda, but we also must take every opportunity to raise our concerns in multilateral fora where the environment is on the agenda. We urge the Secretary of State for External Affairs not to let such opportunities slip by in future.

* * *

ENERGY

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, a successful Alberta economy depends on a successful energy industry. Oil and gas development accounts for hundreds of thousands of jobs.

In the riding of Elk Island this influence is demonstrated by the presence of the Strathcona refineries. The energy industry depends on export markets. The Pacific Rim market is an important market for Alberta energy. We must continue to supply this crucial market through dependable and environmentally safe marine tanker shipments.

Let us work together to support Alberta's energy sector. Let us work together to build a stronger economy in western Canada.

STATUS OF WOMEN

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, the Toronto Labour Council, the Toronto Action Committee on the Status of Women, the Toronto Social Planning Council, Coalition of Visible Minorities and Immigrant Women have recently produced a study on the economic and working conditions that presently exist in the city of Toronto. They have found that these conditions are changing dramatically.

Increased part-time work, temporary work and shift work has meant decreased wages and benefits and less job security for many workers. They also found that in the last three months alone plant closings have cost some 2,500 jobs in the city of Toronto. This study also found that Toronto has a generation of young people who are growing up in the city and who may never be able to live there.

This government should be setting an example as well by initiating programs that will offset the devastating impact of the free trade agreement, cutbacks to VIA Rail, slashing of unemployment insurance programs, and if they get away with it, the GST.

Rather than being a part of the solution, this government is creating the problem. It is high time it began acting in the best interests of Canadian families, rather than big business friends.

ORAL QUESTION PERIOD

[*English*]

PROPOSED GOODS AND SERVICES TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in an interview last night on the television program *The Fifth Estate*, the Minister of Finance was asked about the position of the provinces on his goods and services tax.

This is what the minister said of the provincial positions, and I cite him from the transcript: "They've agreed. Behind closed doors they'll say, ' you got to go ahead with this, Mike'. No question of that".

I would like to give the minister an opportunity to back that statement up. I invite him to give the House of Commons the names of the premiers who agree with his version of the goods and services tax. If there are any, why has he not given the House those names before?

Hon. Michael Wilson (Minister of Finance): I am glad the hon. member is watching my performances on television.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I was referring in my response to a question put to me by Mr. Malling, whereby I indicated that we had been discussing with the provincial financial ministers for some two years the design of the goods and services tax. At that point we hadn't called it a goods and services tax, but it is essentially the same structure that was being discussed during the meetings.

• (1420)

One finance minister made it quite clear that he disagreed with a consumption tax, and that is Alberta. It does not have one. I think it is quite clear why it has taken that position.

During the course of these meetings with the finance ministers they were quite in agreement with the fact that we had to change the federal sales tax, for reasons that I have expressed in this House on a number of occasions. During that period of time none of them were saying we should not be changing this FST into something like the goods and services tax.

Mr. Turner (Vancouver Quadra): I want to tell the minister that I watched him last night because I like sitcoms.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Turner: Mr. Speaker, just before the opening of the important First Ministers' Conference, the Minister of Finance accused the provincial premiers of hypocrisy.

Mr. Speaker, the provincial premiers have all said many times that they are against the goods and services tax. But last night, the Minister of Finance said:

> In private, they say they agree, but they do not want to share the blame. They want to get on board later, when the train is already rolling.

Mr. Speaker, I am sure that at the conference which starts tomorrow, the premiers will have comments on the Finance Minister's television program.

Can he give us—and again, I give him the opportunity to do so—the names of these provincial premiers who told him that they would take part in his goods and services tax?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I can understand the Leader of the Opposition being interested in sitcoms. I, unfortunately, have not achieved the heights that he has of being a star of a sitcom every day in the House of Commons.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I appreciate that the ratings are not quite as high as Bill Cosby, but he can work on that.

Mr. Speaker: I dare say we could do something to put the ratings up around here. I will let the hon. minister do that.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I do the best I can.

I think I have responded to that question. We have on many occasions sat down with the provincial finance ministers, as well as the officials. Their need is not as great as ours in terms of reforming the sales tax system.

We have a sales tax that penalizes our exports, that provides imports with a one-third tax advantage relative to Canadian producers. The existing tax is prone to considerable tax avoidance.

If I asked the hon. member, would he be in support of keeping that sales tax in place, I am sure that if he were objective—possibly he will be after December 31—he would say, "Absolutely not, Mike, you had better get on with changing it as well".

Mr. Turner (Vancouver Quadra): Mr. Speaker, those answers of the minister have already cost us half our ratings in the House of Commons.

My final question is for the Deputy Prime Minister. He looks as if he wants to participate in some constructive way.

All the premiers to whom I have spoken have told me something quite different from the statements made last evening by the Minister of Finance. They have told me that the Minister of Finance never, ever discussed with his provincial counterparts a formal proposal for provincial participation in the goods and services tax.

Does the Prime Minister intend to put such a proposal on the table at the First Ministers' Conference? Or is he content to move ahead with a proposal that will see Canada as the only country in the world with 10 separate retail sales taxes?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, if we continue with this federal sales tax, we will be the only country in the world that has a manufacturers' sales tax. We will be the only country in the world that through its tax system will deliberately tax exports to a greater extent than others and—

Mr. Turner (Vancouver Quadra): Oh, come on, Mike.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I ask the Leader of the Opposition to have some patience for the answer. We would be the only country in the world that penalizes our exports in the way that this tax does. We would be the only country in the world that gives our imports a tax advantage relative—

Some Hon. Members: Name one premier.

Mr. Wilson (Etobicoke Centre): I thought I responded to that question in my first answer.

What I said in my first answer was that there was one finance minister who has said all along that he was not in favour. At no time did the other finance ministers say that they disagree with the fact that, (a) we have to change from the existing tax and (b) that the proposal that we had on the table, the national sales tax, the basic structure of which has been repeated in the goods and services tax, is the right way to go.

It was quite clear to me that they did not have the sense of urgency, the need to replace their sales taxes. That is why we decided to move forward with the goods and services tax that we believe is absolutely the right way to go for Canada.

[*Translation*]

FINANCE

Mr. Douglas Young (Gloucester): Mr. Speaker, the Minister of Finance is of course aware there will be a very important conference on the economy on Thursday and Friday this week. We all know about the tensions that exist in this respect.

My question to the Minister of Finance is this: Considering the importance of this conference, and it is common knowledge that all the provinces are opposed to his proposals on the GST, is the Minister prepared to contribute towards a sensible and honourable dialogue with his provincial colleagues by withdrawing the proposed GST?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I do not know what the hon. member refers to or believes is healthy. I think that the approach that we are taking to bring in a goods and services tax is a clear way to improve the health of this economy. That is precisely the reason we are going ahead with it.

I have made it quite clear that if the premiers or the finance ministers, supported by the premiers, can agree on a specific proposal, yes we are prepared to sit down and discuss that with them.

At the August meeting of the premiers and made no attempt whatsoever to even consider alternatives.

Mr. Young (Gloucester): Mr. Speaker, it is clear that the government plans to go ahead no matter what. I would ask the finance minister to comment again on his statement last night when he said in response to a question, "There's basically one exemption and that's groceries".

My question to the Minister of Finance today is this. Is he prepared to commit on behalf of his government that when the Conservative majority in this House rams through the GST against the will of the premiers, against the will of Canadians, that his government will not impose a tax either on groceries or existing housing because there are a few other exemptions?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, that is a continuation of the line of questioning that he and his colleagues have been using since September of this year.

I have made it very clear that I am not going to make statements that are going to preclude the attention and the considerations that the finance committee is going to be having, the finance committee of which he is a member.

We have indicated that we want to listen to what the finance committee has to say and draw our conclusions accordingly. But clearly, the proposal that is on the table to which we have indicated a very strong attachment, does not provide for either of those two things in its make-up.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question, too is to the Minister of Finance.

The Minister of Finance knows, without exception, all the premiers have opposed the tax.

Mr. Clark (Yellowhead): What have they proposed?

Mr. Broadbent: He knows also that there is Joe going again. Calm down over there, Joe. I hope our foreign policy is in better control, Your Honour.

• (1430)

Since the First Ministers are here in town, and since the Government of Canada and the premiers ought to obtain maximum co-operation on such a matter, I want to ask the minister this, considering that he said: "Behind closed doors, they'll say, 'You got to go ahead with this'. No question of that. With reference to the tax, they do not want to share the heat, they want to come in later." Will the minister either tell the House of Commons and the people of Canada the name of one premier who said that, or do the right thing and withdraw his comment entirely?

Hon. Michael Wilson (Minister of Finance): I think that I have responded to that question in response to the Leader of the Opposition. In those comments on the TV program that was aired last night I was referring to the fact that the finance ministers, federal and provincial, had sat around the table for two years discussing a proposal on sales tax reform, which is the same structure as the goods and services tax. The goods and services tax is a federal only proposal. The other proposal, a national sales tax, is federal-provincial, but all the other elements are essentially the same as what we have been discussing with the provinces.

With the exception of one finance minister, at no time did others say: "Look, we had better stop discussing this". It became quite clear in the way the discussion was going that we were not going to reach a resolution of this; that there was not the need on the part of the provinces to change their sales tax. There was a very clear need on the part of the federal government. That is why we decided to proceed as we have.

Mr. Broadbent: Mr. Speaker, notwithstanding what the minister has said, he still has not answered the question. It is a very serious accusation, I say to the minister, to tell the people of Canada that all the premiers are systematically misleading the public. The premiers have come out strongly with the large majority of Canadians in opposition to the tax. The Minister of Finance has said, and these are his words: "You got to go ahead with this".

Can he name one minister of finance or one premier and, if so, which province, has told him to go ahead with it? Who is saying that in private, but is saying something contrary to the people of Canada? As Minister of Finance, he has a reputation to uphold, and if he is going to hurl abuse at the premiers, he has got to document that.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, it is quite clear in the context of this that what I was referring to is the fact that we have to go ahead with the replacement of the existing federal sales tax to the goods and services tax. That is precisely the position that the New Democratic Party is stating, and you have said on many occasions—

Mr. Speaker, the Leader of the New Democratic Party is shaking his head. I can show different occasions on which his party, people speaking on behalf of his party, his finance critic from the last Parliament—

Mr. Broadbent: Which premier, Mike?

Mr. Wilson (Etobicoke Centre):—was saying that it is important. The member from Regina as well is saying that the existing federal sales tax is a mess, it must be changed, and on this basis we have got to get on with it.

People have been talking about making a change in this tax for 50 years. This is a government that is going to get on with that job.

[*Translation*]

Mr. Broadbent: Mr. Speaker, last night the Minister of Finance said that Canada's provincial Premiers had expressed their support for the concept of a GST, but he refuses to repeat that statement here in the House of Commons. The Minister of Finance should speak frankly and honestly here in the House of Commons and before all Canadians. I repeat: Will the Minister of Finance name one Premier who agrees with him on this issue? If he cannot, he should say so and withdraw his comments immediately.

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think the context is quite clear in the program that was aired last night that I was referring to the provinces and, in particular, the meetings that I have been having with the finance ministers. I will be quite precise with the finance ministers and with my comments about the finance ministers.

One finance minister has said that he absolutely disagrees with sales taxes and that is quite clear. It is the province of Alberta. It has made that known publicly on many occasions. But for two years I sat at the table with other provinces represented by their finance ministers and at no time did people say that we should stop talking about this.

Mr. Broadbent: Did they say go ahead with it?

Mr. Wilson (Etobicoke Centre): They agreed with the fact that we had to go ahead with the change from the federal sales tax to something like the goods and services tax and that is precisely what we are doing.

* * *

MEMBER OF THE SENATE

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Deputy Prime Minister. We are wondering what can be made of the about-face of the Prime Minister on the Cogger affair that, to quote him, it was both forthcoming and proper for the Senate to hold hearings, and forthcoming and proper for the Senate not to hold them, both statements having been made after it became clear that the RCMP was seized of the matter.

My question for the Deputy Prime Minister is, bearing in mind that there were valid concerns about the conduct of departments and agencies in relation to Senator Cogger, as well as things done by the senator which may not amount to criminal activity but which are nonetheless unacceptable and worthy of being examined by the Senate, will the government not agree that the Senate should proceed to do its work and to do it in its own time frame?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, far be it from me to make a decision in the other place. I am sure that they can make their decisions on their own, and as they will.

I remind the hon. member that there is an RCMP investigation into this. It was the senator himself who asked for the Senate to set up a proper mechanism to hear this particular issue and it will decide in a normal manner. I am not sure what is so bothersome to the hon. member about that process.

Mr. Kaplan: I am glad to hear that the government is prepared to recognize the responsibility of the Senate in the matter and for its own timing.

Let me ask the Deputy Prime Minister—

Mr. Speaker: I am having a little difficulty understanding on what basis the hon. member is asking the government in this place about what the Senate is or is not doing. It may be a very interesting inquiry, and often is, but I do not know that it has anything to do with the administration of government. I will hear the hon. member's question.

Mr. Kaplan: The Senate has a representative in the cabinet who has taken a position on this matter on behalf of the government. I want to ask the Deputy Prime Minister, in the light of what I gather is another flip-flop today from what the Prime Minister was saying yesterday, will the government instruct its minister, the Government Leader in the Senate, not to take a position against the Senate holding hearings and holding hearings in its own time frame?

Mr. Mazankowski: Sir, I am sure the Government Leader in the Senate will act in accordance with the customary practices that are normal. I really find it quite strange that the hon. member is troubled by this.

The opposition raised this issue on the floor of the House, action has been taken, they are still not satisfied. What more do they want?

EMPLOYMENT

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, my question is to the Minister of Employment. Yesterday, four respected social agencies from metropolitan Toronto, the Metro Labour Council, the National Action Committee on the Status of Women, the Social Planning Council and the Coalition of Visible Minorities and Immigrant Women released a report to the Toronto city council calling for a city agency to address the growth of part-time jobs at the expense of full-time jobs, the growth of unemployment and to meet the need for job adjustment programs.

Given that these needs are the direct outcome of her government's policies, why is the minister ignoring these deplorable conditions in metro Toronto, and why does she remain inactive in the face of worsening social economic conditions in Toronto?

• (1440)

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the hon. member, as usual, is way off base.

The government firmly believes—and I think he should listen to this—that the best response to poverty is two-fold. First is the creation of jobs that people can have to work at, and I remind him that the unemployment rate in Toronto is as low as it has ever been. The second is the training and the ability for people to take those jobs.

That is what we are doing through our labour force strategy and the Canadian Jobs Strategy where we have targeted particularly people in need. Through the programs that we have for people on social assistance, which was a program of this government, that is directed at those people who have the most needs.

It is our job as a government, and the member's job as a representative of the people of Toronto, to stand up in this House and say yes, that is what we need, and that is what is happening.

Mr. Volpe: Mr. Speaker, I would like to remind the minister that as a former educator I long ago learned the art of listening. It is something that she might have done because if she had learned to listen she would have heard some of the horror stories about the outcome of her UI legislation. In fact, the economic regions outlined yesterday are going to make matters worse for the unemployed, particularly in major centres like Montreal and Toronto.

In view of the fact that there are over 74,000 unemployed in the city of Toronto, that there has been a job loss of over 2,400 full-time jobs in the course of the last three months alone, and that there are over 80,000 persons swelling the ranks of those who depend on food banks in the City of Toronto, largely as a result of her government's policies, and in view of the fact that the social planning council has already predicted an increase of over $10 million in costs on the welfare rolls, what steps will the minister take to discharge her responsibilities to the residents of Toronto, or is she content to shift the burden on to the municipalities that cannot afford to play the role that rightly belongs to her and her government?

Mrs. McDougall: I would like to remind the hon. member of two things. First, in terms of the social assistance that is provided through municipalities, as he knows, 50 per cent is paid by the federal government. It is not in our interest, nor would we want to increase those numbers.

Second, I ran for public office in the city of Toronto because of the state the economy was driven to by the party that he represents when people in Toronto were forced to sell their houses, when they lost their businesses, when they lost their jobs—

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, my question is directed to the Minister of Finance. I have with me today an economic analysis by the Tourism Industry Association of Canada regarding the impact of the proposed goods and services tax.

The analysis states that under the proposed goods and services tax, tourism is slated to lose $1.2 billion a year and at least 30,000 Canadian jobs. Another analysis by the Tourism Research Institute of Canada states that under stage two the GST will lower employment in the service sector by 48,000 jobs. A third report by the hotel

industry of British Columbia indicates a deterioration in the travel deficit by about $348 million.

My question to the Minister of Finance is in relation to the evidence in front of him. How can the minister say that these tax measures are good for Canada when at least—I say at least— 30,000 tourism jobs are on the line and there will be an economic loss in tourism activity of over $2 billion?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member, I regret to say, has got his figures wrong. The report that he is quoting states that the phenomenal rate of growth of tourism in this country will level off somewhat briefly but it will continue. Therefore, the job losses that he is suggesting are totally fictional.

The second thing is that western Canada above all is experiencing an absolute boom in tourism in Alberta, British Columbia and the prairies. Through the operation of the GST we are now going to be giving input tax credits, something the industry has never had before. They pay the 13.5 per cent, do not get a tax credit back for it, so the costs of doing business will go down. Plus, we are bring 4,000 travel agents from all over Europe to see western Canada in about three month's time.

Mr. MacWilliam: Mr. Speaker, the minister has in fact confirmed that the jobs that could have been produced without the GST will not be produced with the GST. He has in fact confirmed that Canada's $2 billion a year travel deficit will now increase by another $348 million a year.

An Hon. Member: Question?

Mr. MacWilliam: Sorry, my question to the minister— Mr. Speaker, I was wrapped up in my statement.

Mr. Speaker: So was I. The hon. member will put his question.

Mr. MacWilliam: Thank you for the latitude, Mr. Speaker, I was so involved in the statement that I forgot the question.

My question to the minister is, does he not recognize that in fact that $348 million additional loss in Canada's trade deficit is going to increase the over-all trade deficit that Canada now experiences of some $2 billion a year?

Mr. Hockin: Mr. Speaker, no, I will not agree with that. I will tell the hon. member that when he asks a question again to make sure that he reads the conference report very carefully, and that he make sure he reads the amendments to the original report that have been done giving the exemptions we have put in place.

We are exempting foreign tourists from the GST on accommodation and on products that they buy. We are the only country with a GST that will exempt accommodation.

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[*Translation*]

FOREIGN AID

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, although we on this side of the House are very pleased that Mrs. Aquino leaves this country with a firm commitment from the Canadian Government for assistance totalling $125 million and also that she found the time to lay a wreath at the Cenotaph, we wonder, now that we are getting ready to welcome Mr. Lech Walesa to Ottawa, whether the government is prepared to do as much for Poland as it did for the Philippines, considering that so far, countries like Germany and France have been far more generous to Poland than the Canadian Goverment has been.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government of Canada has co-operated with other countries, thereby showing a profound interest in the changes that are taking place in Poland and also in Hungary. We want to make a substantial contribution to these reforms and do so financially, but also by offering Canadian aid and expertise, in order to promote development in that part of the world. We are considering other ways in which Canada could continue to play an important part in Poland's growing reforms. Here in Canada, we have a number of Canadian citizens of Polish origin who are in a very good position to establish close links between Canada and Poland. This is a very important moment in our history.

[*English*]

Mr. Ouellet: Mr. Speaker, I want to remind the minister that obviously words are important but actions are even more important.

Does the minister realize that indeed Poland needs food and more money now. Will the government ensure that food will reach Poland in time for Christmas? Will the government revisit the very modest offer to Poland of a possible $20 million revolving credit to be negotiated within a very strict time frame and contingent upon an agreement with the International Monetary Fund?

• (1450)

Can we do better, and will we do better?

Mr. Clark (Yellowhead): Mr. Speaker, I suppose one of the realities of the parliamentary system is that any action the government takes will be described as too modest by the opposition. Even allowing that, there is no question that the needs of Poland, and indeed of Hungary, are very great. Canada participated very actively in the discussions flowing from the meeting with the Group of 7 in Paris. We have made an announcement of some of the aid that will be available from Canada, both financial aid and aid in expertise in other ways, and the question of rescheduling, as my colleague indicates.

The question is whether we are prepared to consider, along with the rest of the world, doing more. The answer of course is yes. We are prepared to consider that. We will be ensuring that the activities that Canada takes will be in conjunction with other countries interested in encouraging solid, permanent reforms in Poland.

* * *

[*Translation*]

CORRECTIONAL SERVICES

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, my question is directed to the President of the Treasury Board. Employees of Correctional Service Canada have been on strike since October 30. I may add that they have had no wage increases since the end of 1986 and that their collective agreement expired in December 1987.

Mr. Speaker, this strike threatens the safety of employees who work in detention centres as well as the safety of inmates and the safety of the public, and it is particularly disturbing for Canadians and Members of this House who have detention centres in their ridings.

This morning, Mr. Speaker, we heard that the parties had resumed negotiations. Could the President of the Treasury Board inform the House today about what he intends to do to keep the parties at the negotiating table so that a settlement can be reached as soon as possible?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as I said last Friday in the House, the government has always been willing to return to the negotiating table. In fact, following discussions we had with the unions, an agreement was reached to return to the table as of 2 p.m. today.

Mr. Speaker, I think concrete offers may be discussed at the negotiating table, and without wishing to prejudge events, I may say we are confident that the dispute, which has been going on for more than 10 days, will be setttled in a matter of hours.

* * *

[*English*]

VIA RAIL

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, my question is directed to the Minister of Transport. I would like to ask the minister about one tragic aspect of VIA Rail's cut-backs, the impact on Canada's disabled community.

The minister knows full well that many disabled Canadians have no other form of transportation. Buses are inaccessible, air travel is too expensive. I am sure that members opposite know about that. In the face of this, the minister lays off key personnel and cuts back services and routes.

Is this the response that the minister has to the transportation difficulties faced by Canada's disabled community?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, my colleague should know that we continue to provide services across the country, from Vancouver to Halifax. VIA Rail services will be provided, particularly in the corridor, with frequency where there are the most disabled people, and will be as accessible as in the past.

At the same time, the Department of Transport with the bus industry is investigating new buses and bus

services which will also provide to the handicapped people facilities that they did not have in the past.

I understand that in the routes which have been cut, it will perhaps be more difficult, but I also know that the handicapped people understand that the finances of this country have to be managed and they agree with what the government has done with VIA Rail cuts.

Mr. Bevilacqua: Mr. Speaker, I must question the sincerity of the minister. More than a year after Parliament—

Mr. Speaker: I know the hon. member probably did not mean what he said, but one does not here question the sincerity of other hon. members. I know he will want to put his question.

Some Hon. Members: Withdraw.

Mr. Bevilacqua: Mr. Speaker, I withdraw. But the facts remain, unfortunately, for the minister.

The disabled get nothing but inaction from this government. More than a year after Parliament amended the National Transportation Act to enhance accessibility of federally regulated transportation to the disabled, the National Transportation Agency has still not acted to put these amendments into effect.

Why has the minister not urged the National Transportation Agency to act on this legislation, or did the minister intentionally remain silent so as to give VIA Rail false grounds to cut personnel service for disabled Canadians?

Mr. Bouchard (Roberval): Mr. Speaker, I hope that my friend knows that the National Transportation Agency is a body independent of the minister. They can make the decision and they can apply their decision. Perhaps it was a fact when the hon. member's party was in in power, but it is not a fact on this side of the House to overrule what is done by the National Transportation Agency.

I want to say very sincerely to my friend that I was Secretary of State for two years and today it is true that with the present Secretary of State, disabled people have never been as well served as they are today.

[*Translation*]

EXTERNAL AID

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Since so many people are now leaving East Germany to find a new home in West Germany, could the Minister inform the House whether the Government will offer assistance to the West German Government, and if so, how does he intend to proceed?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I just received a request for assistance from the government of the Federal Republic of Germany, asking Canada to provide temporary residence in this country for refugees who have just left the Democratic Republic of Germany. We indicated in our reply that we were willing to help.

[*English*]

I received a request yesterday from the West German government asking if on our military bases in West Germany there might be barracks or other space available to provide temporary housing to aid the West German government in responding to the flow of refugees from East Germany.

After consultation with my colleague, the Minister of National Defence and our commanding officers in Germany, we have replied today, the day after the request, indicating that Canada is prepared to co-operate, prepared to make barracks space and other help available to help the West German government accommodate the refugees from East Germany.

* * *

MEECH LAKE ACCORD

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Deputy Prime Minister in the absence of the Prime Minister. Let me begin, first of all, by thanking the Prime Minister, the leader of my party and the Leader of the Official Opposition for the very excellent manner in which they have defended Meech Lake. I want to thank them very much.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: My question to the Deputy Prime Minister is why is it then that only the Minister of the Environment and the Minister of Transport, along with his colleagues from Quebec, have tried to broaden the understanding of the accord? When will the rest of the cabinet fan out across the country dialoguing with Canadians to inform them that the accord is a good deal for Canadians?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, it is unfortunate that the hon. member has tarnished what was a very excellent introductory remark, which I associate myself with, with the unfortunate interpretation which I think is totally inaccurate and totally wrong.

In fact, all ministers of the Crown have been speaking out in support of Meech Lake. If the hon. member has not heard any of the excellent speeches, I would invite him to read the speech made by the Associate Minister of Indian Affairs and Northern Development who made a very excellent speech on the issue of Meech Lake and about Canada. If you want to read a very thought-provoking speech about her image of Canada, I would invite the hon. member to take a look at it and that will give him some idea of how we feel about Meech Lake.

• (1500)

Mr. Rodriguez: Mr. Speaker, my supplementary is for the same Minister and I want to tell him that one swallow does not a summer make. I would ask the Deputy Minister to tell us when the Minister of Energy, Mines and Resources will make an impassioned plea for the accord in Manitoba, to the Minister of National Defence in Saskatchewan, to the Deputy Prime Minister in Alberta, and to the Ministers of Fisheries and Forestry in British Columbia?

Mr. Mazankowski Mr. Speaker, I am glad that the hon. member mentioned the hon. Minister of Energy, Mines and Resources, because both he and other cabinet colleagues from Manitoba and all caucus members from Manitoba, at least from this party, made very strong representations at the Meech Lake hearings that were conducted in the province of Manitoba. The only people who were conspicuous by their absence were the members of the New Democratic Party. Where were they?

Some Hon. Members: Hear, hear!

* * *

FISHERIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. Atlantic Canadians live in daily fear that declining fish quotas will mean the closure of fish plants and the loss of thousands of jobs for fishermen and fish plant workers. This fear is compounded by the Government's acceptance of the free trade panel ruling allowing American processors access to west coast salmon and herring.

Before accepting this panel ruling, has the Minister obtained a legal analysis from his officials assuring that this ruling cannot be used as a precedent by U.S. processors to obtain similar access to our east coast fish stocks? If so, will he undertake to make this information available to the House?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I would like to tell the hon. member that the panel was struck to inquire into landing regulations which this Government introduced in order to better manage and conserve our west coast salmon and herring stock. As I indicated in this House yesterday, the panel findings upheld Canada's sole jurisdiction in determining management requirements to conserve our west coast salmon and herring stocks. I will expect in time, if that question ever arose, a similar interpretation would be placed on its application with regard to all of Canada's fisheries.

Mr. LeBlanc: Mr. Speaker, does the Minister of Fisheries seriously expect Atlantic Canadians to believe that American processors in need of scarce raw product will not use this ruling to obtain access to our east coast fish stock under the FTA? Now that his Government has capitulated to the U.S. and accepted this ruling on the west coast, does he actually believe that he will be able to resist pressures on the east coast?

Mr. Siddon: Mr. Speaker, the answer, of course, is yes. We believe that the measures we are taking with regard to our trading relations with other countries, particularly the United States in this case, will guarantee the future security of the Atlantic fishing industry, in fact all of

Canada's fishing industry, because our fishing industry is an export-dependent industry. We must therefore play by the fair rules of trade and ensure our own fishermen maximum dollar for their resource by allowing them to trade and to export in a free trade arrangement with the United States.

Mr. Speaker: A single question from the hon. member for Edmonton East, and a single question from the hon. member for Wild Rose. That will conclude Question Period.

* * *

CARBON DIOXIDE EMISSIONS

Mr. Ross Harvey (Edmonton East): I have a question for the Minister of Energy, Mines and Resources. Yesterday in The Netherlands, Canada joined most other industrialized countries in agreeing to stabilize carbon dioxide emissions by the year 2000, even though the Environment Minister is quoted as saying: "We would like to have signed something a little stronger". Also yesterday, the Minister of Energy introduced two bills to approve federal government participation in Hibernia and OSLO, two projects which will produce another 20 to 35 million tonnes a year of carbon dioxide emissions. Will the government establish new programs, such as increased support for fuel ethanol and conservation measures, that would reduce CO_2 emissions by an amount equal to the 20 to 35 megatons a year by which Hibernia and OSLO will increase CO_2 emissions?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member is right when he quotes the Minister of the Environment as saying that Canada would like to have seen something a little more substantial coming out of the conference in The Netherlands, but Canada's position will remain such that we will keep pressing both at the international and at the national level, in the various responsibilities that we have, to address the question of CO_2.

On the question of OSLO and Hibernia, I find it interesting what the hon. member has asked because these bills were tabled yesterday and received first reading. The NDP is opposed to OSLO.

Mr. Harvey (Edmonton East): Wrong. Absolutely wrong.

Mr. Epp: New Democrats are opposed to OSLO on the basis that it is going to create the difficulties the member mentioned in his question. They are opposed to having energy self-sufficiency. They are opposed to development in Alberta. They are opposed to Hibernia. I guess they want the unemployment in Newfoundland. They do not want the industrial benefits in Newfoundland. I am simply saying, you want all the benefits but you do not want to take any of the responsibility.

* * *

TOURISM INDUSTRY

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, a significant number of my constituents involved in the tourist industry are concerned about recent actions affecting their industry, namely environmental restrictions in national parks, cuts to VIA Rail, and the effects of the proposed GST on their highly concentrated service sector industry.

My question is for the Hon. Minister of Finance. Will the minister commission a study which will determine the long-term effects that the GST will have on the tourist industry, especially in western Canada?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am happy to answer my hon. friend's question. First, tourism is probably the most environmentally friendly industry in the country, and sustainable development is usually enhanced by tourism more than by any other industry.

Second, in terms of VIA Rail, we are maintaining the high volume routes in western Canada, and we are also opening an opportunity which was not there before for the private sector to move in to providing passenger rail service for tourists in the future.

In terms of a study, we have had the Conference Board study. We are going to be doing a price-value study. We are also doing a major study of the U.S. market. What it is showing us is that tourism in Alberta, British Columbia in particular, and the west is growing by leaps and bounds and will continue to do so.

Mr. Speaker: The hon. Deputy Prime Minister on a point of order.

HOUSE OF COMMONS

TWENTY-FOURTH ANNIVERSARY OF ELECTION

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I rise on a point of order. It has been drawn to my attention that there are four hon. members who are today celebrating their twenty-fourth anniversary of their election to this great institution, the House of Commons of Canada. They are the hon. member for Renfrew—Nipissing—Pembroke, the hon. member for Notre-Dame-de-Grâce, the hon. member for Victoria—Haliburton and of course our own hon. member for Annapolis Valley-Hants, who I know we all agree has added a lot of colour and zest to this institution.

Twenty-four years of service as the people's representative in this place is indeed something to celebrate. Their long-standing service is indeed a tribute to the excellent representation which they have provided to their constituents. Having gone through eight elections, it clearly is a demonstration that they have the confidence of the people whom they represent. I am sure I can speak for all members, I know I speak for the members of our party, when I say that all four hon. members are held in very high regard. They have contributed significantly to this institution. They have debated vigorously. They have defended their interests and the things that they believe in. But most of all, they have defended the interests of their constituents, and that is obviously why they have been sent here to represent their people on eight consecutive occasions.

On behalf of my colleagues in government and the members of the Progressive Conservative Party, I want to extend our sincerest and heartiest congratulations to all four members. It is our hope and our wish that they will continue to be with us for many, many more years and contribute in the excellent way they have in the past.

• (1510)

Some Hon. Members: Hear, hear!

Hon. Herb Gray (Windsor West): Mr. Speaker, on behalf of the Official Opposition I am pleased to join in the tribute being paid today to four hon. members of this House who are celebrating the twenty-fourth anniversary of their first election to the House of Commons.

It is an honour to serve in the House of Commons even for a very limited period, but it is a signal honour to have served as long as the hon. members about whom we are talking way that they have served their constituents, it is a tribute to them for the way they have worked in this House. Their service has obviously been well recognized by their constituents and the applause today indicates how they are held in high regard by members on all sides of this House of Commons.

I am delighted on my own behalf and on behalf of all the members of the Official Opposition to pay tribute to four members of this House who are today celebrating a very important anniversary.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, on behalf of the New Democratic Party I rise to join with my colleagues in congratulating the senior members of the House who are continuing to serve their constituents well. I want to say on behalf of my colleagues who have worked with the four members in the past in this Chamber or in committee, we have always respected their hard work and the contribution they have made on behalf of their constituents.

I think it is the case that no matter what the party tendency for votes might be in a particular constituency, for a man or a woman to serve for this period of time in the House of Commons must mean that he or she has brought a particular contribution to that constituency or the member simply would not have been re-elected so many times. I say that as a New Democrat.

As an individual to my two Liberal and Conservative colleagues, let me congratulate them on their past work.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I wish them well in the years ahead, but I hope all four will be defeated by a New Democrat in the next election.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I want to thank you for giving me this moment. Prime Minister for his very kind remarks today, as well as the House Leader of the Official Opposition

and the Leader of the New Democratic Party. I can say that it was my absolute desire to be a member of this House from the age of 14 years on and I am very, very grateful to the people in the Ottawa Valley riding of Renfrew—Nipissing—Pembroke who have given me the opportunity to fulfil that desire.

There is more to it than the work in debates and so on that goes on around here. There are some very fine friendships formed. I want to say that I have made some tremendous friendships across the floor of this House, as have my other three colleagues, and we have seen some very fine people come and go from this place. As members of Parliament are raked over the coals from time to time, and almost daily, I suppose, we know among ourselves that there are some very fine people who go through this place and they are here for very dedicated reasons.

I recall very well, 24 years ago today, when I started out to visit all the polls early in the morning. The sun was shining, it was a great fall day, and by three o'clock in the afternoon I had my car in the garage putting on snow tires. Seriously, I simply want to say that there is no challenge and no amount of dedication that is too great on the part of any member of this House. It is our determination and sincerity collectively that we must work toward all good causes, for the future of Canada and on behalf of all Canadians. The more that we recall individually and collectively that we are here to support, promote and assist the people of this nation, the greater this institution will be recognized from coast to coast and from north to south in this country.

I want to thank those people who have been very good friends of all of us in this House. I particularly want to congratulate the hon. member for Victoria—Haliburton who represents the riding in which I was born and who represented my father and mother and my family personally over the years.

The hon. member for Annapolis Valley–Hants has been a very distinguished member of this House and has represented his people well. It has been a great privilege to have known him and to associate with him. Of course, the hon. member for Notre–Dame de–Grâce is a very dedicated and hard working person in this House.

Among all these very dedicated people and highly respected members of this House there is no–one greater than the present Speaker of this House of Commons, and I thank you for that.

Some Hon. Members: Hear, hear!

Mr. W. C. Scott (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I would like to share the sentiments that have been expressed by my colleague. I have enjoyed this place immensely and the friendships that have been created here over the years.

Television was not here when we first arrived. I know that some people watching at home probably wonder what kind of a zoo we were really running here.

But I want to say that when we get behind the curtains and think about the great country we have, and how we are doing something to improve life and the quality of life we have here, of which a great many people throughout the world are very envious, it makes you think it is a pretty sane place here.

It is certainly a pleasure to be here. I represent a riding in the heart of Ontario—I call it the core of Ontario—which the hon. member for Renfrew briefly described a moment ago.

We have a great place to live, we have a great country to be proud of. I wish you all the very best. We will all work for the good of our country, a country that is the envy of the world.

As we pass legislation in this place with this bickering and carrying on, I know it is very, very hard for people watching to understand. But what makes it all great is the spirit and understanding we have here as we work together. It is a pleasure to join with my friends today on this very special occasion. I am proud to be a member of the House of Commons and I am proud of our country.

Some Hon. Members: Hear, hear!

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I was awfully glad that my good friend the Deputy Prime Minister stood because I did not know who was going to stand to recognize us here. We had on these little boutonnieres, and I am not a great flower man. I was really very glad the Deputy Prime Minister did catch your eye, Mr. Speaker, to recognize my colleagues in the House who were elected on November

8, 1965. I am not going to make a long speech but my mommy told me years ago to be prepared. I knew that something might happen today once I got the flower in my lapel. I received an ode from my best supporter and I think the other three members will share some of the thoughts that came through the fax machine today.

My good colleague, the member for Victoria—Haliburton, mentioned the humanity shown here, and I know this seems trite perhaps for the outside world and even some members, but this used to be a much more human place before we all got too busy with so many things, with computers and fax machines. I am wearing the boutonniere because I knew the date was coming, but it was yesterday when my friend from Renfrew slipped behind the curtain and said, "Pat, tomorrow is a little anniversary". He gave me a great big boutonniere that I still have here in my desk. I had almost forgotten about it, but the hon. member confessed, in the humility that sometimes overcomes this place, that: "I am going to wear a red ribbon tomorrow but for you I have a pale blue one. I could not get royal blue but at least it is blue". I notice my friend is wearing the same thing. I obviously want to thank the people in my riding. Nova Scotia, Ontario, and Quebec are represented by the four being honoured here today. It has been a fantastic experience. I really do not know if the time goes more quickly if you are in opposition or if you are in government. Different ratios apply.

• (1520)

This morning over the fax I got something I would like to read. Having thanked my riding in public and all the people who sent me here, I also thank my great friend, the Hon. Member from Oshawa who is a cigar smoker, in spite of one of his colleagues. I am still a cigar smoker in spite of some edicts from the Chair. I have to watch where I do it now. But here is what came through the fax. It is called an ode:

> A score and four years ago was a very important date cos there was an election on November 8. Through these 24 years there's still fire in the belly even though some constituents quiver as a bowl of jelly
>
> Many issues have caught your attention, only a few will we mention: Greenwood and VIA, Scott's Bay and Meech, Doug Small and legions, and Harbourville Beach
>
> Leadership contests, and presidential ones too, French immersion and committees. Is there anything you wouldn't try to do? Through tears and laughter, fun and some pain, I'm sure we'd do it all over again
>
> But for this moment in time in our great nation, I send you love and my congratulations on 24 years of work and fun. Lookout world, he's just begun

Mr. Speaker and colleagues, I want to thank you for everything.

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table in both official languages the government responses to several petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*Translation*]

SUPPLEMENTARY ESTIMATES (B), 1989–90

A message from Her Excellency the Governor General transmitting Supplementary Estimates (B) for the financial year ending March 31, 1990, was presented by the Hon. Robert de Cotret (President of the Treasury Board) and read by Mr. Speaker to the House.

REFERENCE TO STANDING COMMITTEES

Hon. Robert de Cotret (President of the Treasury Board) moved:

> That, pursuant to Standing Orders 81(5) and 81(6), Supplementary Estimates (B) for the fiscal year ending March 31, 1990, laid upon the Table earlier this day, be referred to the several Standing Committees of the House as follows:

Mr. Speaker, since the reference of the Supplementary Estimates (B) to the various committees is detailed and the list is long, if the House agrees, I would ask that it be printed in *Hansard* at this point without being read.

Mr. Speaker: The House has heard the suggestion of the President of the Treasury Board. Is that agreed?

Some Hon. Members: Agreed.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

[*English*]

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

To the Standing Committee on Aboriginal Affairs

Indian Affairs and Northern Development, Votes 6b, 7b, 15b and L20b

To the Standing Committee on Agriculture

Agriculture, Votes 5b, 15b, 20b, 30b and 50b

To the Standing Committee on Communications and Culture

Communications, Votes 1b, 10b, 25b and 30b

To the Standing Committee on Consumer and Corporate Affairs and Government Operations

Consumer and Corporate Affairs, Votes 1b, 5b, 25b and 27b

Industry, Science and Technology, Vote 95b

Public Works, Votes 22b and 26b

Supply and Services, Votes 1b, 3b and 5b

Treasury Board, Votes 1b, 5b and 25b

To the Standing Committee on Energy, Mines and Resources

Energy, Mines and Resources, Votes 30b and 40b

To the Standing Committee on Environment

Environment, Votes 1b, 5b and 15b

To the Standing Committee on External Affairs and International Trade

External Affairs, Votes 1b, 5b, 10b, 30b and 42b

To the Standing Committee on Finance

Finance, Vote 30b

National Revenue, Votes 10b and 15b

To the Standing Committee on Forestry and Fisheries

Forestry, Votes 1b and 10b

To the Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women

National Health and Welfare, Vote 65b

To the Standing Committee on Industry, Science and Technology, Regional and Northern Development

Indian Affairs and Northern Development, Votes 31b, 40b and 45b

Industry, Science and Technology, Votes 1b, 10b, 25b, 30b, 32b, 33b, 36b, 55b, 60b and 65b

To the Standing Committee on Justice and Solicitor General

Justice, Votes 1b, 40b and 45b

Solicitor General, Votes 10b, 20b, 25b, 30b and 40b

To the Standing Committee on Labour, Employment and Immigration

Employment and Immigration, Votes 1b, 10b, 15b, 16b, 20b and 30b

To the Standing Committee on Multiculturalism and Citizenship

Secretary of State, Votes 15b and 20b

To the Standing Committee on National Defence and Veterans Affairs

National Defence, Votes 5b, 10b and 20b

Veterans Affairs, Votes 2b and 15b

To the Standing Committee on Transport

Privy Council, Vote 6b

Transport, Votes 10b, 17b, 20b, 30b, 46b and 65b

Motion agreed to.

* * *

STANDING COMMITTEE ON LABOUR, EMPLOYMENT AND IMMIGRATION

TABLING OF FIRST REPORT

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, pursuant to Standing Order 109, I am pleased to table in both official languages the government's response to the first report of the Standing Committee on Labour Employment and Immigration, Immigration of Lebanese Citizens to Canada.

* * *

ORDER IN COUNCIL APPOINTMENTS

TABLING OF APPOINTMENTS

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I am pleased to table in both official languages the number of Order in Council appointments which were made by the government pursuant to section 110(1).

* * *

STANDING COMMITTEE ON TRANSPORT

PRESENTATION OF SECOND REPORT

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I have the honour to present the second report

of the Standing Committee on Transport in both official languages. Pursuant to Standing Order 109, the committee requests a comprehensive response to this report within 150 days.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

HOUSE OF COMMONS

BROADCASTING OF PROCEEDINGS

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I would like to read to you a draft motion for consideration of the House. I move:

> That the Standing Committee on Elections, Privileges, Procedure and Private Members' Business be authorized to broadcast an advertisement concerning the order of reference on the broadcasting of the House and committees dated June 8, 1989, from November 9, 1989, to November 27, 1989, on the parliamentary channel.

Mr. Speaker: Does the hon. minister have consent to introduce the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Mr. Prud'homme: On division.

Motion agreed to.

* * *

PETITIONS

VIA RAIL

Mr. Derek Blackburn (Brant): Mr. Speaker, I have both the honour and the duty to present a petition which contains hundreds of names from constituents of mine in the federal riding of Brant who decry the cutbacks of VIA Rail. The petition states, we the undersigned call upon the government to live up to its original pledge to support VIA Rail and to abandon plans for further cuts to VIA's budget, and to provide the necessary resources to allow VIA Rail to operate as a modern effective transportation company rather than as a museum.

EXTRADITION

Mr. Bill Domm (Peterborough): Mr. Speaker, it was in July, 1985, that Charles Ng, wanted to stand trial for 13 brutal murders in the United States, entered our country, was before our courts and is in our institutions now. We have learned recently that his lawyer is appealing the extradition signing of the justice minister and we are about to see another line of appeals before our appeal system federally, including the Supreme Court of Canada.

These 899 petitioners are urging the Canadian government to streamline its extradition laws so that Canada does not become a haven to escape American justice for these wanted convicts from the United States. This brings the total to 92,746 such petitions entered into the House of Commons from Canadians coast to coast.

PROPOSED GOODS AND SERVICES TAX

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour and responsibility to table petitions signed by hundreds of citizens in the Sudbury basin, such places as North Bay, Chelmsford, Blezard Valley, Val-Thérèse, St. Charles, Copper Cliff, Azilda, Lively, Naughton, Whitefish, Falconbridge, Skead, Sturgeon Falls, Dowling, Coniston, Markstay, Sudbury, Garson, Capreol, Val Caron, Hanmer and Wanapitei.

• (1530)

These hundreds of citizens who have signed these petitions point out that the government's proposed goods and services tax is a regressive tax. They reject it on the basis of regressivity.

The petitioners therefore call upon Parliament to reject the current proposal for a goods and services tax. They also ask Parliament to ensure that if and when there is broad public consensus on a sales tax measure to replace the manufacturers' sales tax it not be the opportunity for the government to impose a massive tax grab.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have the honour and privilege today to table 68 petitions which have been certified correct by the clerk.

These 68 petitions contain the signatures of 1,443 residents from Thunder Bay, Nipigon, Kakabeka Falls, Dorion, Red Rock and other small communities in northern Ontario. The petitioners want to impress upon this House their strong opposition to the government's proposed goods and services tax.

The increased burden of taxation placed on the middle income people of this country is just so repressive and so domineering that they need some assistance, and they ask this House for its help.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, this is a duly certified petition that I am honoured to present to the House on behalf of individuals living in Hamilton, Toronto, Woodbridge, and other regions around metro Toronto who wish to express their strong and deeply felt opposition to the proposed general sales tax.

Mr. Jack Iyerak Anawak (Nunatsiaq):

[*Editor's Note: Member spoke in Inuktitut.*]

Mr. Anawak: Mr. Speaker, I have the honour to present a certified presentation signed by residents of the community of Arviat in my constituency. These citizens of the Keewatin region of the Northwest Territories call upon Parliament to reject the proposed goods and services tax which will cause serious and unfair hardship to low and middle income groups.

Mr. George Proud (Hillsborough): Mr. Speaker, I rise on behalf of several hundred petitioners from Prince Edward Island to present three petitions pursuant to Standing Order 36, asking this Parliament to reject the proposed goods and services tax in the name of all Canadians.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have a number of signed petitions which are against the goods and services tax. These are in addition to the 30,000 cards that I gave to the Minister of the Finance last week.

These people are from the communities of Brandon, Oxford House, Leaf Rapids, Deloraine, Ilford, Yorkton, Saskatchewan, Pickertonei, Dauphin, Winnipeg, Lac Brochel, Moose Lake, Wekusko, Nelson House, Lac du Bonnet, Gillam, Cranberry Portage, The Pas, Bird, Wabowden, Flin Flon, Split Lake, Thompson, South Indian Lake, Tadoule Lake, Sundance, Pukatwagan, Denare Beach, Saskatchewan, Hudson Bay, Saskatchewan, Cross Lake, Easterville, Sherridon, Wanless, Waterhen, Bissett, Snow Lake, Creighton, Saskatchewan, Thornhill and Winkler.

Just to prove how unpopular it is there are also people from Nashville, Tennessee, U.S.A. who reject the government's proposal.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the duty to table today 15 more petitions that object strongly to the government's proposal to impose on Canadians a new goods and services tax.

I have never been witness to such a display of discontent with a government proposal on the part of the people of my riding.

These petitions state that the Conservative government has imposed upon Canadian taxpayers at least 31 new taxes or tax increases since taking power in 1984. At the present the federal manufacturers' sales tax has already been increased by this same government from 9 per cent to 13.5 per cent. The Conservative federal government wants to impose on Canadians a new general 9 per cent tax on goods and services, which will be hidden from Canadians and will be applied to virtually everything they buy.

The imposition of this new general goods and services tax will cause serious and unfair hardship to lower and middle income Canadians. The imposition of this tax will create an onerous burden on small business. This proposal will hit Canadians with higher taxes, higher inflation, higher interest rates, and higher unemployment.

These petitioners humbly pray and call upon Parliament to reject the proposed goods and services tax of the Tories.

[*Translation*]

Mr. Sergio Marchi (York West): Mr. Speaker, I have the honour and duty to present to the House ten petitions signed by residents of my riding of York West in Toronto.

[*English*]

As my colleagues from all parts of the House would confirm, these are petitions coming from average Canadians on real streets, living in real neighbourhoods, in all parts of the country including my riding of York West.

They are petitioning against yet another new tax. Since 1984, this is the thirtieth change or new imposed tax. The goods and services tax is definitely the most regressive tax hitting not only average Canadian families but also Canadian small businesses.

Mr. Speaker: I urge hon. members to present their petitions, and I think everybody understands the rules.

Mr. Marchi: Mr. Speaker, I would like to present these petitions and request that the goods and services tax be flatly rejected. It will be by this side of the House.

RIGHTS OF THE UNBORN

Mr. Gus Mitges (Bruce—Grey): Mr. Speaker, I am pleased to present petitions from the cities of Hamilton, Thunder Bay and St. Catharines, Ontario, with 1,453 signatures.

The petitioners are united in their abhorrence of the taking of precious human life through abortion and believe in the rights of all unborn children. They call upon Parliament to pass legislation that will protect life from conception.

I fully support them in their endeavour to protect future generations of Canadians.

PROPOSED GOODS AND SERVICES TAX

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I rise to present the following petitions which have been certified by the clerk of petitions.

The first group of 26 petitions contains the signatures of 768 residents of Sarnia, Ontario. In fact, the people of Sarnia, Ontario think this is such an important tax to oppose that they themselves have come here. There are two representatives from Sarnia in the House watching these petitions being presented on their behalf. I commend them for showing such an interest in opposition to the government.

The second group of 12 petitions contain the signatures of 201 residents of Edmonton, Calgary, Vancouver, Saskatoon, Princeton, British Columbia and of Collingwood, Stratford and Toronto, Ontario. These citizens humbly call upon the government to withdraw its proposal for a regressive and inflationary goods and services tax.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, it is my pleasure and privilege to present to this House, pursuant to Standing Order 36, petitions certified correct as to both form and content from residents of Eglinton—Lawrence and other ridings in the area of greater metropolitan Toronto.

They call upon this government and this Parliament to fight vigorously for the withdrawal of the proposed goods and services tax which they see as the most regressive form of taxation addressing itself in a particularly pernicious fashion to the aged, the young, and the unemployed.

To those I will add another additional 800 stubs sent in by clients of McDonald's on Avenue Road and on Yonge Street. They are clearly directed to the Minister of Finance and I can tell you as much because of the refinement of the language.

[*Translation*]

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, pursuant to Standing Order 36, again I rise as spokesman for 1,196 people who signed three certified petitions from residents of the riding of Hull—Aylmer who call upon Parliament to reject the goods and services tax proposed by the Conservative government, a tax which is complicated and unfair to all Canadians.

[*English*]

Mr. Ross Harvey (Edmonton East): Mr. Speaker, it is a special pleasure for me to be able to present a petition signed by over 2,000 Calgarians humbly praying that Parliament may be pleased to reject the GST.

The reason this is such a special pleasure for me is that all these signatures were collected by one woman, a Ms. Heidemarie Meding, a single mother and student in Calgary. She collected them during the summer and early fall and gave them to me at the anti-GST rally held in Edmonton on the evening of Monday, October 2, a rally I am certain everyone in this House is familiar with.

My congratulations to Ms. Meding, and here are the names.

Mr. Speaker: We are certainly familiar with it now, but I would ask hon. members to stay within the rule.

• (1540)

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I too have the honour to present a petition pursuant to Standing Order 36, which has been certified correct as to form and content.

The petitioners state that a tax on goods and services is an aggressive tax that hits low and middle income earners the hardest. Canadians are already overtaxed and a further tax burden could adversely affect the economy.

Therefore, the undersigned, your petitioners, humbly pray and call upon Parliament to abolish plans to implement the 9 per cent tax on goods and services.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I have the pleasure and the honour to present petitions on behalf of hundreds of my constituents.

These petitions have been certified correct as to form and content and relate to the GST. I will not go through the litany of complaints against the GST because Your Honour has already heard the complaints from other petitions presented in the House this afternoon.

The petitioners believe that the GST is very, very bad legislation and is not in the interest of this country. They ask this House to reject the tax.

OPPOSITION TO BILL 178

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I have the duty, responsibility and pleasure to present another petition. It too has been certified correct as to content and form.

This petition relates to national unity. The petitioners are concerned not only about national unity but minority rights in Canada. They are concerned about the future of Canada. They are particularly concerned about the effects of legislation in the province of Quebec known as Bill 178, which they believe is contrary to the provisions of the Charter of Rights and Freedom.

The petitioners believe sincerely that this bill is a mistake and is not in the best interests of this country which we all love so much.

PROPOSED GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure to present a petition under Standing Order 36 on behalf of residents of Burns Lake, Francis Lake, Grand Isle, Whitehorse, Kelowna, Vancouver, Fort St. John, Kamloops, Fruitvale, Trail, Osoyoos, Rock Creek, Castlegar, and the list goes on and on.

The petitioners are residents of all sorts of western Canadian communities and point out a whole set of concerns against the goods and services tax. They are asking the Government of Canada to come to its senses and drop the whole matter.

VIA RAIL

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have another petition on another matter, signed by a number of westerners again, asking the government to reconsider its decision to curtail VIA service and suggesting that the government improve and modernize VIA service, particularly because of its environmentally sound way of transporting large numbers of people.

PROPOSED GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have a petition signed by 35 electors from Kingston and the Islands who object to the government's goods and services tax and call upon Parliament to reject the tax as being unfair and inequitable.

UNEMPLOYMENT INSURANCE ACT

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition, duly certified by the clerk.

This petition is from my constituents in Bridge Cove, Red Head Cove and Petrie on Random Island. The petitioners are concerned about Bill C–21 and the changes to the Unemployment Insurance Act.

They are particularly concerned that the Government of Canada is withdrawing its contribution of $2.9 billion to the unemployment insurance fund and leaving the financing to the workers and employers. They are also concerned about some of the other negative effects it will have on them, particularly the job development strategy which essentially will preclude them from building infrastructure in their community to seek employment.

The petitioners humbly pray and call upon Parliament to propose more meaningful reforms and in particular to call upon the government to come up with an effective regional development policy.

OPPOSITION TO BILL 178

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, it is my duty and responsibility to present two petitions signed in the main by residents of the Gabriola Island and Nanaimo in my riding. This petition is presented under Standing Order 36 and has been certified proper.

The petitioners state that the Constitution of Canada, pursuant to the Canadian Charter of Rights and Freedoms, guarantees to all Canadians the right to freedom of expression.

Whereas the government of the province of Quebec has abridged that right by enacting legislation, Bill 178, restricting the right to freedom of expression in the English language, the petitioners pray that this Parliament pass a resolution of the House of Commons urging the Governor General in Council to give full force and effect to the Canadian Charter of Rights and Freedoms by the exercise of its constitutional power of disallowance with respect to Bill 178 of the province of Quebec.

VIA RAIL

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I have two other petitions signed by Duncan area residents. In this case the petitioners are calling upon the government to live up to its original pledge to support VIA Rail, to abandon plans for further cuts to VIA's budget, and to provide the necessary resources to allow VIA to operate as a "modern, effective transportation company rather than a museum".

OLD AGE SECURITY

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I also have the pleasure to rise under Standing Order 36 to present a petition from my constituency. The residents are from the royal city of New Westminster in British Columbia. The petitioners are concerned about the pay back of old age security benefits. They feel that this is an attack on universality, and a betrayal of commitments made by the government to seniors in Canada. They suggest that all high income Canadians should pay their fair share of taxes.

The petitioners call upon this Parliament to reject the government's policy to initiate inequitable and unjust clawback of old age security benefits.

CANADIAN WHEAT BOARD

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise to present a petition on behalf of a number of producers from western Canada who are concerned about the removal of oats from the Canadian Wheat Board.

The petitioners are concerned because they do not feel that they were properly consulted prior to this decision by the government, nor did the government consult the Canadian Wheat Board advisory committee or the major farm organizations in western Canada. They are concerned about the future of orderly marketing in this country.

The petitioners call upon the government to place oats and barley under the Wheat Board Act with the same protection that wheat now presently has so that farmers will be protected in future.

PROPOSED GOODS AND SERVICES TAX

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, pursuant to Standing Order 36, I have the honour and privilege to present 17 petitions containing the names of 505 residents of Stormont—Dundas.

These residents of Cornwall, Long Sault, Morewood, Chrysler, Winchester, Chesterville, South Mountain, Iroquois, Morrisburg, Brinston, Williamsburg, Ingleside, Moose Creek, Avonmore, Berwick, Lunenburg and Williamstown believe that the Conservative government's proposed 9 per cent goods and services tax is totally unacceptable as it will cause serious and unfair hardship for low and middle income Canadians and will create an onerous burden on small businesses.

These petitioners humbly pray and call upon this House to reject the proposed 9 per cent goods and services tax.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, pursuant to Standing Order 36, it is my duty and pleasure to present to this House nine petitions signed by over 300 individuals from the riding of Dartmouth who are opposed to the proposed goods and services tax of this government.

The petitioners are opposed to it because it is a hidden tax, one that they say is unfair, will be a major burden on small business and an unprecedented tax grab. They believe it will cause higher inflation, higher interest rates, and higher unemployment.

The petitioners call upon this government to reject this proposed tax.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, would you be so kind as to call Notice of Motion for the Production of Papers No. P–14 standing in the name of the hon. member for Prince George—Bulkley Valley.

FORESTRY AGREEMENTS

That an Order of the House do issue for copies of the federal criteria for new forestry agreements with the provinces.

Mr. Cooper: Mr. Speaker, the release of these criteria prior to the completion of the federal–provincial agreements will be detrimental to the future conduct of the federal–provincial relations, and for this reason I therefore ask the hon. member to withdraw his motion.

Mr. Riis: Mr. Speaker, I think the appropriate move at this point would be to transfer for debate.

Mr. Speaker: Transferred for debate.

* * *

• (1550)

MOTION TO ADJOURN UNDER S. O. 52

MEECH LAKE ACCORD

Mr. David Berger (Saint–Henri—Westmount): Mr. Speaker, I gave you notice earlier today of my intention to ask leave at this time to move, pursuant to Standing Order 52, the adjournment of the House for the purpose of discussing an important matter requiring urgent consideration; namely, the Meech Lake Accord.

[*Translation*]

Mr. Speaker, Members of the Conservative Government and the Prime Minister himself keep repeating that the Meech Lake Accord is identical to the five demands of the Government of Quebec. It is the duty of the House, Mr. Speaker, to remind Canadians that these are two different things and to ask the first ministers to pursue their efforts to meet the demands of the Government of Quebec while respecting the national interest.

[*English*]

To say that it is Meech Lake or nothing else, take it or leave it, is unacceptable. Canadians want the first ministers to do their duty to the country. The first ministers should know that this House also wants them to do their duty to the country.

[*Translation*]

Just because a particular proposal has encountered some opposition does not meet the country will end. Indeed, a public opinion poll released today shows that most Canadians and most Quebecers believe that the Meech Lake Accord should be changed. In Quebec, 52 per cent are in favour of amending it, compared to 39 per cent who want it accepted as is.

In conclusion, Mr. Speaker, the first ministers must respect the will of the Canadian people and Members of this House should have the opportunity to debate this urgent matter. Thank you for your consideration, Mr. Speaker.

SPEAKER'S RULING

Mr. Speaker: I thank the Hon. Member for giving me advance notice of his request, under the circumstances. I listened carefully to the Hon. Member's request, but I must say that an emergency debate is certainly not appropriate at this time. Of course, this is a very important subject for all Canadians and I thank the Hon. Member for raising it.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed from Tuesday, November 7, consideration of motion of Mr. Lewis that Bill C–43, an act respecting abortion, be read the second time and referred to a legislative committee.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the last time I spoke in this place on the issue before us, I began by saying that I speak on behalf of those women who have been faced with bearing a child not of their choosing. Today, once again, I rise on behalf of those same women.

Since I first uttered those words we have had no law in this country regarding abortion. In the view of many women including myself the absence of legislation appeared to respect what I believe, that the judgment of women faced with a difficult decision and their capacity to make a better decision than anyone in this chamber on their behalf was respected in that environment.

In my own mind I have always taken it for granted that as a part of the process of a woman making that decision, she would seek the advice and the consultation that she requires with the father of the child and with her family, or she may choose not to seek it but that she would seek medical advice.

Whatever discussions she chose to have or not to have, ultimately it would be her decision. But as time passed it became clear that the situation for women was not more stable in the absence of legislation but indeed the reverse. Some provincial governments took action against the interests of women. The number and intensity of civil actions increased.

In my earlier speech as well, I reminded the House that I am not a minister of God, I am a minister of the Crown, and I continue to take those responsibilities as a minister of the Crown very seriously. In light of this new situation, what is my responsibility as a legislator, along with that of my cabinet colleagues?

We have heard some discussion in this chamber around when life begins. I pointed out then that society and religion over the centuries have had differing views including such things as that the soul enters an unborn baby boy after 40 days and a girl after 80 days, that the soul enters the unborn child at the time of quickening when the woman feels the foetus moving for the first time. We as parliamentarians are not the ones to determine that, and certainly the woman bearing the child is far better qualified after seeking her own religious counsel.

As a legislator my objective in this process was that we provide a stable legislative framework whereby a woman would have entitlement to the medical services she requires when faced with this profound decision. This required first of all an examination of the federal powers in this regard. They are more limited than I would like. Under the Canada Health Act, which at first glance to many of us seemed the most appropriate vehicle, the Government of Canada is not in a position to specify abortion as a required service. My colleague, the Minister of National Health and Welfare, has gone into his role and that of the Canada Health Act in some detail, and I will not repeat his arguments. I am sure he would agree that we examined exhaustively this possibility.

Second, if we are to have legislation there will of course be sanctions. What will they be? Many women, including myself, wanted legislation outside the Criminal Code. Once again we had few models. One of them was the Narcotics Act. Even there the sanctions remain criminal sanctions, so where is the advantage to women in that?

Once again, after lengthy discussion our conclusion was that our powers were limited to the Criminal Code. This is not a happy conclusion for me, not by a long way. But what we were able to define was that only the person who induces an abortion outside the law should have sanctions applied. This means that women are protected from the fear of prosecution except under very unusual circumstances and that is an improvement over the former law, albeit a marginal one, for women.

For medical practitioners they are not any more at risk of prosecution than they are under the criminal provisions that guide their behaviour in other aspects of their daily practice. Doctors and others with medical responsibility will in the future, as they have in the past, apply high standards of medical ethics to the role that they are called upon to play.

The thrust of this legislation then is to define abortion as a medical act. Based on a definition of health and wellness, it entitles women to abortion under a wide variety of circumstances. In my view this will assist in providing the stable legislative and societal framework which I was seeking.

Sadly, as a federal government we cannot guarantee access, something that women have been asking us to do. What we have done is ensure, to the extent possible, that provinces take their responsibility in this issue seriously and that they live up to their jurisdictional responsibilities in that regard. For women, this may mean that they must continue to press for the right to choice in other venues. I know that they will do that and I support their efforts.

Let me say to them, as I have had to conclude myself, that we do not live in a country where the public supports a woman's capacity to choose totally without some societal rules. That is certainly true of this chamber. It is also true of the wider nation. I reach this conclusion based on many, many telephone calls and letters and personal conversations over these past months. Out of all those opinions put forward, and there were many variations I would grant, if there was a consensus at all it was that this is a matter for a woman and her doctor.

• (1600)

I would remind the House that when the last motion on this issue was before the Chamber, a few people, including myself, supported an amendment—in fact it was the amendment that I was speaking to at that time—that says that such legislation should prohibit the performance of an abortion except when performed by a qualified medical practitioner.

I would also remind the House that essentially this is what we are being asked to support with this bill with more clarity and therefore, the stability that I seek. Some day perhaps, in a more perfect world, public attitudes and the vehicles through which we must act will respect the sensitivity and judgment of women as I do. That day is not today. I therefore support this bill and participated, as others did, in its authorship. We all approached this with respect and sensitivity.

I would urge those members of this Chamber who want to provide the framework for women, in the world as it is and not in the world as we would like it to be, to find it in their hearts to support this motion. We all in this Chamber hold our principles very high. We are here as parliamentarians to stand up for what we believe, but also to seek consensus and to respect the common will. I know that on an issue of this importance members will seek to do so in a spirit of sensitivity and goodwill.

Ms. Black: Mr. Speaker, I certainly appreciate how difficult this issue is for the minister. I also appreciate that she spoke almost two years ago in the House. I had the opportunity to go back and read her speech very carefully and I was quite moved by it.

I listened very carefully to what the minister who is responsible for the status of women had to say today. I am pleased that she is here and that she is prepared to take part in the debate.

The minister mentioned that this new criminal legislation will provide a stable legal framework for the women of Canada. My contention is that there is no need for criminal legislation in this area. I do not understand how this is an improvement for women over the situation that we have right now where there is no legislation and, in particular, no criminal legislation. So I ask how this would create a more stable situation than the one that we have right now.

I also listened very carefully when the minister spoke about access. We both recognize that access is a problem and she contends that the problem is with provincial jurisdictions. She has urged women to work in other venues, I think was the way she put it. I know that they will work in those other venues but I think that they will continue to work for access in this venue. There is a variety of legal opinions about the Canada Health Act and the ability of the government to provide for access under the act. Some very prominent lawyers feel that that is, of course, available to the federal government.

I ask in particular for her comments about a stable legal framework and how that is an improvement over the situation now without any criminal legislation.

Mrs. McDougall: Mr. Speaker, I think that what we have in the present situation where we have an absence of legislation, and I have certainly thought about this very carefully, is that with an absence of legislation, with abortion not defined as a medical act, there is more reason for other jurisdictions to say that it does not fall under their jurisdiction to provide a service. I think providing entitlement, as we have, and pronouncing it in the national interest and as the will of Parliament as a medical act gives comfort to women as they seek that access through other jurisdictions. As I have said, I would certainly support them in doing that.

Ms. Langan: Mr. Speaker, I too rise to thank the minister for taking part in this debate. Further to the comments of the hon. member from New Westminster—Burnaby, now that we have some jurisprudence established as a result of the Chantal Daigle case, and guidelines that would limit court challenges, how does she view us not being faced with many tests in the future,

based on the new legislation, which will again drag women through the courts on this issue?

Mrs. McDougall: Mr. Speaker, in the past there have been civil actions, both under the old Criminal Code provisions and also in a world in which there was not legislation. We are here to legislate, that is our job as parliamentarians. In fact, we were essentially directed by the court to legislate. Legislation that has the will of Parliament behind it will provide a more stable framework. That stability does come from the two venues that I talked about; first of all, the entitlement that therefore should lead to a position in the provinces whereby access can be provided with the backing of Parliament and, second, although I recognize that there will be civil suits, no doubt, again I think that they will be lessened in an atmosphere when Parliament has spoken as well as the courts.

Ms. Langan: Mr. Speaker, I thank the hon. minister for her response, although I may not share her view. I would like to ask two questions. One, how will that help the women of Prince Edward Island? Second, yesterday I had the opportunity to ask the Minister of National Health and Welfare a question with regard to federal government "interference" in the provinces on the question of access. I asked him if the government would not consider intervention if a whole province refused, for example, to undertake open heart surgery, heart surgery or cancer treatment. The federal government would have something to say under the Health Act. The minister did not choose to answer my specific question. I wonder if this minister could possibly answer.

Mrs. McDougall: Mr. Speaker, I would not, in any way, try to interfere with the prerogatives of my colleague under the Canada Health Act. I do believe that with the kind of legislation that we are presenting today it will be more difficult for a province, within its own jurisdiction, to justify to the women of that province that it is not prepared to provide access.

Throughout the country now we do see people seeking medical services in other provinces for particular reasons because of the kind of expertise that builds up in particular areas. So, I think that it would be very rare for the Minister of National Health and Welfare to suggest that every province has to provide every medical service to the ultimate of its sophistication. Our job is to ensure that under the Canada Health Act, we have a universal and accessible system with the principles as outlined in the act.

Mr. Young (Beaches—Woodbine): Mr. Speaker, I have a question. As I read the legislation, it appears to place the onus of responsibility on the doctor. There has been a great deal of concern expressed to me since the legislation was introduced last Friday that under certain circumstances many doctors may feel extremely reluctant to perform that kind of operation on a woman in case of litigation. A young woman may go and see a doctor who happens to hold a pro-life position and the doctor will refuse to perform that operation. That young woman may then go to another doctor who may feel, under another set of circumstances, that such an operation is indeed justified. What happens to that second doctor under these circumstances? Would that not lead to other litigation in the courts and the Chantal Daigle case all over again?

• (1610)

Mrs. McDougall: Mr. Speaker, I think that that is reaching very hard into the kinds of behaviour that people show. That is why I said in my statement that both women and medical practitioners must exercise their judgment in this case. No one can force a doctor or anyone else to perform an operation that that doctor does not want to perform. That will not change under this legislation. It did not change when there was no law. So if a woman seeks to exercise her choice under the bill that we have presented, then medical practice, which has standards from its own association regarding the performance of any kind of surgery will be there to support the doctor that the woman seeks out.

I would also say that this is not new either. The medical association has established standards of practice. This will give it the legislative framework which essentially supports standards of practice and we have to rely on behaviour and judgment.

I come to this House saying that women have judgment. I believe that doctors have judgment and that they have the capacity and the ability to choose. I have always argued that those are the important reasons to give women choice. I have not altered my opinion. I think

that within the legislation we have provided they will be able to do that better than they can without a law.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, before I get into the substance of the matter, I have to say at the outset that this government has been totally negligent in waiting so long to bring forth this legislation. It has been nearly two years since the Supreme Court of Canada declared the previous law unconstitutional. Since then we have had nothing but procrastination and delay. This government has dilly-dallied, refusing to face up to its responsibilities and, of course, allowing the type of judicial chaos we had during the summer.

Suddenly the minister is trying to rush it through this House. I want to tell him that we will try to be as constructive as we can, but we do not accept the cavalier attitude that the government has shown towards Parliament in dealing with the issue, nor do I believe the people of Canada appreciate that attitude.

[*Translation*]

Following the Supreme Court's decision, the Government had promised on many occasions that it would introduce a bill at its earliest convenience, to use the very expression used by Ray Hnatyshyn, the predecessor of the current Minister of Justice, who apparently is in line for the job of next Governor General of Canada. But this Government has produced nothing except, in July 1988, a multiple choice questionnaire which has lead us nowhere.

It has been totally inexcusable for the government to leave this matter on hold for nearly two years. Finally, we have now a bill in a context where all Members can consider the situation very closely.

Clearly, Mr. Speaker, we are faced with a very sensitive moral dilemma. It is a dilemma which, on the one hand, has an impact on the life of every individual, and on the other hand, has major social consequences for our country. No woman could decide lightly to have an abortion. A woman could only consider it with a lot of anxiety and suffering as a last recourse solution. There is no one here who would trade places with a woman faced with such a decision. I suggest that for those of us who are not women this situation is just impossible to fanthom. The fact remains that in the real world, thousands of Canadian women must face this decision.

[*English*]

Analysing the situation, there could be no more difficult issue for those of us elected by our constituents than to respond to this issue on a national basis. It is not the responsibility of the legislatures. I do not believe it is primarily the responsibility of the courts. It is the responsibility of members of Parliament.

Within our society there are two diametrically opposite and opposed views on abortion. I can appreciate completely the strength, honesty, and commitment of the convictions of both the pro-life and pro-choice advocates. One group of Canadians believes fundamentally that it is a question of the sanctity of life, the protection of life. The other group believes, also fundamentally, that it is a question of a woman's control over her own body, it is a question of personal liberty and security of her person.

There is no way that these two views can be reconciled philosophically. There is no way these two opposing views can be reconciled theologically or indeed politically. Speaking frankly, we will never reach a consensus on this issue in the House of Commons or in the country. We can reach only an accommodation at best.

So what is our duty here? How do we approach the matter? It is our duty, as legislators, to attempt to find that uneasy accommodation between those two points of view. As I have indicated, in arriving at a judgment, the Liberal caucus members are free to vote as they see fit. This is not a partisan matter and we will not treat it in a partisan fashion.

In a pluralistic society such as we have in Canada, with a separation of church and state, no official religion, with a wide variety of moral views, with a growing variety of cultural traditions, a wide spectrum of religious upbringing, our responsibility as legislators is somehow to seek the common good. Our duty is to seek the best equilibrium we can between the two polarized and competing views on the subject of abortion, between two irreconcilable views on abortion.

I come to the subject with a strong conviction that my duty, and I believe our duty, is not to impose our own beliefs rigidly on the views of others who may strongly disagree. Each of us has the right to his own moral perspective. Each of us has the right to express that view clearly. Each of us has the right to try to convince others

of his point of view. On the other hand, each of us has a duty to listen to the other point of view.

I believe, therefore, that as members of Parliament, as legislators, we have the responsibility not only not to impose our personal views on a final legislative decision in this type of community in which we live but not to allow our own personal views, no matter how deeply held, and no matter on which side of the issue they may be, to be the sole criterion by which we judge this legislation. An equally important standard in our pluralistic community must be to evaluate this legislation as to whether or not it is the best available accommodation in moving toward the common good.

I do not believe that the majority of Canadians would agree that we should prohibit all abortions. I do not believe that that is where the country is. On the other hand, I do not believe that the majority of Canadians would agree that we should not exercise some control over abortions, particularly in the later stages of pregnancy as suggested by the Supreme Court of Canada.

• (1620)

I have read the Supreme Court judgment. I have lived with this issue for 20 years. I am willing to admit that this legislation perhaps does not fully respond to the test I have just outlined as set forth by the Supreme Court. There may be better words to describe what we are trying to achieve. By removing the requirement in the earlier legislation for therapeutic abortion committees in accredited hospitals, which the Supreme Court found to be impediments to a woman's rights, I believe that the proposed legislation is a serious effort to find the accommodation necessary to resolve the issue in Parliament. At the very least, it deserves further scrutiny by the committee. That is why I propose to vote to allow it to proceed to committee.

[*Translation*]

Because I feel that this Bill should be further examined and discussed in committee. It is not possible here in the House to consider all its details, its implications and all the advice, either legal or medical.

The basic question about this Bill is whether it is likely to be approved by the Supreme Court judges. Is the Bill consistent with the principles of our Charter of Rights? Is it Charterproof, a legal expression which is not easily translated, or do we run the risk of seeing the Supreme Court rule at the very first opportunity that it is unconstitutional, with the instruction to go back to the training board or, even worse, to give up altogether?

Whatever the ruling of the Supreme Court on this issue, it is now our responsibility, as legislators, to convey to it the views of Parliament. These judges must know how the Members of the House feel collectively before ruling on individual cases.

[*English*]

Many observers have pointed out, and those of us in Parliament who have read the judgments know, that the judges gave Parliament a great deal of advice as to how the new law should be framed. Not all of that advice has been followed by the minister. For example, with regard to the retention of criminal liability on the part of a woman who obtains an abortion, Chief Justice Dickson stated in the Morgentaler judgment: "Forcing a woman by threat of criminal sanction to carry a foetus to term unless she meets certain criteria unrelated to her own priorities and aspirations is a profound interference with a woman's body".

Nor was the advice of Madam Justice Wilson followed with regard to the question of gestational limits and foetal rights. She said: "The precise point in the development of the foetus at which the state's interest in its protection becomes compelling I leave to the informed judgment of the legislature which is in a position to receive guidance on the subject from all the relevant disciplines. It seems to me, however, that it might fall somewhere in the second trimester".

As my colleague for York Centre has said, could there be a clearer invitation to the government to provide such limitations? Here again we are, of course, as legislators, free to interpret the collective wisdom of the court. Certainly we have a duty to respond to the current situation.

[*Translation*]

Mr. Speaker, I would not want to prejudge how a committee of the House will approach its work, but it will certainly want to examine all the aspects of the issue in a very detailed fashion and listen attentively to the widest possible variety of opinions and views.

In my opinion, the House committee should also deal with the more general issue of access to adequate and secure medical procedures. I don't think that Parliament could simply sherk that decision and leave it to the provinces, although they clearly have jurisdiction in health matters. Of course, we must respect the jurisdictions of the various levels of governments. I have noted how quickly the Minister of Justice (Mr. Lewis) and his colleague the Minister of National Health and Welfare (Mr. Beatty) have quoted the statements I made on this subject when I was minister of Justice.

They have discharged their duty. But there is more to this than just respecting individual jurisdictions.

[*English*]

I do not believe that respecting jurisdiction precludes co-operation and discussion between the two levels of government. I urge the minister and his colleague, the minister of health particularly, to take the lead, to use their influence rather than simply washing their hands of the whole question. As was pointed out, previous federal governments have taken action, for example, when they felt certain provinces were not respecting the Canada Health Act with regard to extra billing.

Family planning and reproduction counselling should be a priority of any government in combating the necessity of abortion. Everyone would agree that it is deplorable that we have a situation where any woman feels compelled to consider an abortion for economic reasons. Naturally we will study the proposals mentioned yesterday by the minister of health with regard to research into family planning, planned parenthood, adoption, education and other reproductive health issues.

The minister confirms that there are 150,000 young, single, low-income parents in need of assistance. If we want to take away economic reasons for abortion, we have to ensure that children brought into this world are properly cared for. I am entitled, I think, as is every member of Parliament, to ask this government, where is that child care program that it has been promising for five years? Where are the proposals to eliminate poverty? Where are the proposals to help women who chose to have children in difficult economic circumstances? Until this government gets really serious about these issues, I am afraid that many women with low incomes will continue to be forced to consider abortion as an alternative.

I want to ask members of the House to go through this process of determining where we would be if we rejected this particular effort at accommodation introduced by the Minister of Justice. I listened very carefully to his colleague, the Minister of Employment and Immigration, and listened to how she reconciled her own views with the current legislation. I look around at members of the House. I happen to know most of the members here and I know who holds one view and who holds the other. I said at the outset that despite the deep convictions we all share on a personal basis, as a result of our own personal religious convictions, moral upbringing and family influence, it is is not our personal views that are at issue, it is our views as legislators.

Let us take a look at this issue from both sides. Suppose I were strong pro-choice. Sensing the mood of the country, sensing the mood particularly of this House, I would feel that there would inevitably need to be some control reflecting the collective view of a majority of members and also reflecting the majority of Canadians, that there has to be some law or some control.

All right, from the pro-choice point of view, what would I say? I would say if there is going to be a law, maybe this is the best law we are going to get. After all, it does leave the decision to a woman and her doctor.

If, on the other hand, I were strong pro-life and I considered the same mood of the country and the same mood of this House, I would ask myself; what happens if this legislation is defeated? First of all, we are back to no law so we are back to abortion on demand as we have now. If those who hold a strong pro-life position want to defeat this law and are successful, we are back to abortion on demand. Or would I want the trimester solution as suggested by the Supreme Court, particularly with freedom of choice during that first trimester as suggested very strongly in the judgment of Madam Bertha Wilson? Maybe I come to the same conclusion. Maybe I say from my point of view that this is the best law I am going to get where the "life or the health of the mother is threatened". The earlier words used to be "in jeopardy". I do not believe that the further definition of "health" really changes matters from the earlier legislation. That is a matter for determination by a doctor. I do not think doctors have come any closer to defining the

word "health" now than they were able to do some years ago.

• (1630)

Where the life or the health of the mother is threatened, I cannot conceive, law or no law, of any judge or jury convicting a doctor or a woman where the doctor testified under oath that in his judgment the life or health of that woman was affected and that the abortion was necessary to meet the situation. Nor has there been a conviction in this country on those issues for many, many years, or in the United States, Australia or Great Britain.

I would say again, from a pro-life point of view, maybe this is the best law we can achieve in the circumstances.

You might say that is not a very theological position to take; that it is not a very philosophical position to take; it does not reflect too much of a moral impulse. If one has a view one way or the other, which each one of us does, then examine this piece of legislation from the process that I have described and let us come to the conclusion, I believe, that this may be the best result we are going to get. That is why I am prepared to see this bill go through second reading to committee.

I am prepared to listen to the arguments of the government as to how this bill meets the tests put forward by the Supreme Court under the Charter. I would hope that the minister, who will appear before that committee with his officials and whatever other outside counsel he deems to retain, will satisfy members of the House. I also hope the government is prepared to listen carefully to arguments put forward by those who may not share his confidence in the constitutionality of the bill, who may not share his confidence that the bill meets those tests. He may, I hope, want to look constructively at amendments that may be put in committee. Undoubtedly, there will be counsel from across the country who will state their views to the committee. I hope he will allow the widest range of good medical, judicial and legal advice to have a fair hearing before the committee.

None of us individually possesses the absolute wisdom to solve this problem. I dare say, without any fear of being in contempt of the House, that collectively we do not have the absolute wisdom to solve this problem. I believe we will come nearer to that wisdom if throughout this debate we listen in a spirit of tolerance and respect to the views of all members who choose to speak.

Some Hon. Members: Hear, hear!

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I rise to speak in strong opposition to this bill. This bill recriminalizes abortion by making it a criminal offence for even a doctor to perform an abortion, except in certain circumstances where the life or the health of the woman is threatened. It must be understood that the doctor is the one who has to make that determination; the woman no longer has the right to make that determination. This bill narrows and limits the circumstances under which a woman may seek an abortion and under which a doctor may legally perform an abortion.

I think we should look at some of the background of the introduction of this legislation. It was precipitated by the January 1988 Supreme Court decision concerning Section 251 of the Criminal Code. In order to understand why the Supreme Court made its decision to disallow Section 251 we must look at some of the statements made at that time.

Justice Wilson stated: "The right to reproduce or not to reproduce, which is the issue in this case, is one such right and is properly perceived as an integral part of a modern woman's struggle to assert her dignity and her worth as a human being". This legislation does not assert her worth and dignity as a human being.

Justice Dickson stated that by interfering with bodily integrity, forcing a woman by threat of criminal sanction to carry a foetus to term, unless she meets criteria unrelated to her own priorities and aspirations, is a profound interference with a woman's body and thus is an impingement on security of person.

This bill still carries a sanction of criminal law. The sanction is shifted from the woman to the doctor. If the doctor performed it illegally, then the woman is also liable as an accessory to a crime.

Since January 1988 there has been no criminal law restricting abortion. There has been no criminal law for nearly two years. I think this House must acknowledge that during this period, women, as they always have, have acted responsibly. They have demonstrated that there is

no need for criminal legislation and that is the situation that should remain.

This bill makes a decision to have an abortion not a decision of the woman but the decision of a doctor. The doctor's decision is not based on normal, medical questions. It is restricted to that of health and health even more widely defined is not the only reason a woman seeks an abortion in this country.

Furthermore, the doctor is restricted to doing it within accepted, as they say, generally accepted medical standards. In Canada, they may vary from region to region and from community to community. That means that there is not equal access. The doctor's decision is not going to be taken based on normal circumstances within the medical profession because it will be against the backdrop of criminal sanction and possible legal action and charges.

We should not underestimate the pressure that doctor will be under from anti-choice activists who will initiate third party prosecutions and even attempt to entrap a doctor into agreeing to perform an abortion for the sole purposes of being able to lay a criminal charge against that doctor.

It will put the doctors in a difficult spot, and they will start to restrict access to abortion. It will also force women into misleading the doctor about their emotional or psychological health in order to secure an abortion. This breaks down the relationship between the woman and her doctor and is very degrading to the woman. She must present herself as someone who is weak, fragile and whose psychological health is in jeopardy in order to obtain an abortion. It may be that the real motivating factors are socioeconomic, age or various other personal legitimate reasons.

It is important to understand that this decision to have an abortion will not be based on the woman's wishes, her desires, her own priorities and aspirations. The woman's own thoughts or feelings about her physical, mental or psychological health are now going to be irrelevant. It is a doctor's opinion that counts.

I think that the people who are supporting this bill had better really look at it. This bill clearly restricts abortions for circumstances of rape, incest, deformed foetuses, socioeconomic reasons, age, family dynamics, family planning or a host of other reasons for which women may come to the proper conclusion that she wishes to terminate her pregnancy. This legislation is based on a whole concept about women and their competence to make valid judgments about which I cannot agree.

• (1640)

For those who oppose abortion under any circumstances based on their own moral convictions, although I do not agree with it I can understand it and respect it. But this position and this bill is not based on those sets of principles. This bill is based on the concept that we in this House can prejudge and make a better decision, more rational, more moral, more competent than the woman's decision on her own, and that we can do it without knowing and understanding all the circumstances that that woman is going to be in at that point in time.

One of my real pleasures in life has been watching a number of young women, including my own daughter, grow from infancy into young adults. They are now mature, competent, sensitive people with tremendous personal integrity. I have more confidence that they can and will make a far better decision about their reproductive choice, particularly when they know all the facts, than decisions now being predetermined for them by people like the Minister of Justice, the Minister of Health and, yes, even the Prime Minister.

It was previously mentioned that there is respect for the sensitivity and judgment of women. But the minister who said that said "today is not the day that that is going to come about". Well, I will tell her today is the day that I have confidence in the sensitivity and judgment of women.

One would wonder if this type of bill based on this concept about women would be before this House if this House were made up of 255 women and 40 men instead of its present make-up of 255 men and 40 women.

The decision that a woman makes to have an abortion is an intensely personal issue. It is a difficult issue. It is not done frivolously and not done without due consideration, but is a decision often coming with agonizing cross-currents and feelings. The decision to have an abortion is a private issue that should not be subject to possible public and legal scrutiny, and certainly not subject to the possible criminal prosecution of the woman's doctor or herself.

I, for one, have a tremendous belief and faith in Canadian women. They will and always have made the best and right decision respecting their reproductive choice. This Parliament has no right to think that it can make a more competent and better decision.

This bill which recriminalizes abortion is an attempt to please anti-choice people and, like most appeasements, it simply creates more problems than it solves. It is not a law designed for women or to protect women's rights or dignity. It is not even a law that is designed to somehow protect or bow to the rights of the foetus. This law is simply a law designed by lawyers for lawyers. One can almost hear the lawyers saying: "Hi ho, hi ho, it's off to court we go," because that is what this bill is going to do. It is going to rebring the matter both on a constitutional basis and on a case-by-case basis back before the courts. It will expose women, their personal lives, their struggles, their agonizing decisions to the public. It should not be allowed to happen.

I also want to talk a bit about who in fact is going to be affected by this legislation. My background is in social services and health care. I have worked with the poor. I have worked with teenage street kids, and the disadvantaged. I can remember when abortion was not legal. I have known poor women, disadvantaged women who have died seeking illegal abortions.

I want to tell you that any and all attempts to restrict abortions affect only poor women, women who are disadvantaged, young teenage women and women living in isolated areas. Even before abortion was legal in this country, wealthy women always could get abortions. They could go to another country. They knew medical practitioners who were willing to perform abortions, or to do D and Cs on the pretext that they were doing some type of a medical examination. Wealthy, powerful women have always been able to get abortions.

We in Canada had the classic case of sanctimonious hypocrisy when a former member of this House, the member from the Yukon, spoke partially against allowing women to have an abortion while at the same time he was paying for a woman to go to the United States to have an abortion. It has always been this way. The wealthy and the powerful will obtain abortions based on their wishes, their needs, their desires, their choices.

Canadian women can go across the border from Vancouver to Seattle, from Winnipeg to St. Paul, from Toronto to Buffalo. Those who have money and power are not going to be affected by this or any other abortion legislation. However, women who are poor, who cannot afford to travel, young women in particular who are both poor and powerless, and do not know the system and have no financial resources on knowledge, are the ones who are going to be restricted. Women in isolated and remote areas are the ones who will suffer.

This bill also falls short in that it does not do a number of the things that this government should be doing. This bill will not ensure women the right to access to full medical care, including abortions. We must remember that Prince Edward Island allows no abortion, Newfoundland allows almost none, and many areas in British Columbia also restrict abortions. The government should be ensuring through the Health Act that its program criteria, which includes such things as comprehensiveness, universality and accessibility are enforced.

The Health Act universality is defined as "the health care insurance plan of the province must entitle 100 per cent of all insured person of the province to insured health services, provided for by the plan". The government should enforce this immediately. Accessibility, in terms of health services, is defined on uniform terms of conditions on a basis that does not impede or preclude, either directly or indirectly, access to those services. The government could be initiating legislation and governmental actions that would assure women right across Canada that they have full access to all types of medical care, including care to terminate an unwanted pregnancy.

There are other things that the government should be doing which relate to family planning. I strenuously object to people who are opposed to such things as abortion. They are also the ones who are opposed to family planning. They are the ones who are responsible for a cut-back in family planning funds from 1984 to the present. In fact, going back further, this started under the previous Liberal government. In 1979 there was $447,000 being spent on family planning. In 1984 this was reduced to $200,000. By 1988 it was reduced to $139,000. The government thinks it should be congratulated for

increasing the funding this year by a measly $7,000, bringing it back up to $147,000.

Income-support programs that are meaningful must be put in place for all women in Canada. Yet we have an erosion of UIC. Income-assistance rates in this country are deplorable. Every study shows that they are significantly below the poverty line. Most mothers on welfare can only afford to feed their children between two and three weeks of a month. Minimum wages for women are only 66 per cent of those for men. In the banks we find that they are only 56 per cent of those for men.

• (1650)

This government has got to do something meaningful about the real wage rates for women. We have heard about day care. The fact that there is no universal, adequate, accessible, affordable day care scheme in this country puts women under a tremendous amount of pressure if they are the sole breadwinner, or even one of the main breadwinners within a family and they have to make a decision whether they wish to continue with their pregnancy. We have reduced the benefits for adoptive parents. The whole area of poverty is a major reason why women seek abortions. Yet in Canada we do nothing about the 1.2 million children who now live in poverty.

I want to close by saying a couple of things. There were two things that I had hoped would happen when this bill was brought forward. First, I hoped that it would ensure access to all medical services, including medical services to terminate an abortion. It has not done so. Second, it has restricted and recriminalized abortion.

I am convinced that the women of Canada are quite competent on their own, in consultation with their doctor—not a doctor who is under threat of criminal sanction—to make that decision. I think that this House should also express its confidence in Canadian women.

Mr Friesen: Mr. Speaker, I listened with care to the member's speech. He said at one point that under this legislation the decision would not be made by a woman, but by a doctor. I wonder if the member could tell me in what medical circumstances that would not be the case.

Mr. Karpoff: Mr. Speaker, I could tell you all sorts of circumstances. In this particular one that we are facing, a woman may decide that she wishes to have an abortion. She may feel that her psychological health is in jeopardy. That is totally irrelevant in this legislation. It is the doctor who is going to make that decision. But he is going to do it based on a restrictive definition of health and under threat of criminal sanction.

There are all sorts of things that are within the medical field that a person must decide if they wish to have it done. The doctor then makes the decision with respect to is it medically competent, is there any medical problem that is going to occur if that procedure is done? Then they will go ahead and do it. That is not the circumstances here. The doctor is not free to say: "Listen, I can medically perform this abortion, with no medical consequences for the woman, no threat to her health. In fact, it may even be better for her health", but he is not going to be allowed to. Maybe it is simply because the woman says: "I am 15 years old. I do not wish to be a 15 year old mother." He is not allowed to perform an abortion in that circumstance.

Mr. Harvard: Mr. Speaker, I have a question as well. First of all I want to say that I appreciate the remarks made by the hon. member for Surrey North. I, too, believe in the competence of women. I, too, believe in the integrity of women. I have felt for a long, long time that something as delicate and complex and personal as abortion, an issue as difficult as that, can be better decided, if I can put it that way, upon by the woman than by the state. I have always felt that women are people of integrity, that they do not take this issue lightly. There are those people who are on the so-called pro-choice side who are called pro-abortion. I have known and worked with many women who describe themselves as pro-choice, and I do not think they are pro-abortion. I do not think that any woman in this country, at least the women that I know, like to have an abortion. It is an enormously difficult decision to make.

There is this difficult area in the proposed legislation leaving it to the woman and the doctor. The hon. member for Surrey North believes that it is wrong to give a doctor a choice in the matter, that that is something that should be left up to the woman. My question really relates to whether he believes that this bill, if passed, is going to lead to a lot of dishonesty.

Given the criteria proposed in the bill, are women going to be going into doctors' offices because they want an abortion, whether it is on economic grounds or on any grounds, and telling fibs, little white lies so that they can beat the game, beat the criteria and have the abortion that they want? If that is the case, that is very disturbing. A woman, it seems to me, should be able to come to this issue honestly, forthrightly and ask her doctor whether she can have one without resorting to fibs. Could the hon. member answer that question.

Mr. Karpoff: In the main part of my speech, I raised that as one of the real issues. A woman is going to have to present her circumstances in a particular frame of reference. She is going to have to be less than forthright with her doctor. A couple of things that I said about it was that it will destroy the doctor/patient relationship. It will also detract from the dignity of that woman. It forces her into being less than forthright. I know that most women when they are presented with that will find ways of presenting their situation in a manner that the doctor is not going to be able to make any decision.

When I was working in social work, administrators would say to me that this is what the policy says. I would say that you cannot give me a policy where I cannot take an individual case and force you to make an exception to that policy because I present the facts of the case.

My concern is that disadvantaged women are often the ones who are not sophisticated in law. They do not know what the legislation says. They are maybe not as articulate as some woman lawyer going in and asking. They are not as experienced in dealing with a medical person. They are not going to present their situation in a manner that is going to allow the doctor to form an opinion that an abortion is warranted.

This is particularly true of young women. What 15 year old will understand the subtleties of this legislation, that she has got to say not that this may be detrimental to her health, but threatening to her health? There is quite a difference between what is detrimental and what is threatening. Could she understand what is psychological health or mental health? She may consciously try to present that situation. Yes, there is going to be dishonesty. More important, it is going to deny women the right to have an abortion who should have that right. A 15 year old girl should not be forced to lie to her doctor in order to get an abortion.

Mrs. Dobbie: I would just like to ask the member why he thinks a woman would not be able to consult a second doctor to get a second opinion. The legislation, in my opinion, does nothing to bar a woman from seeking a second opinion, and seeking the services of another doctor if the first doctor she consults does not agree that the abortion is necessary.

Mr. Karpoff: Let us take the case of the 15 year old girl. If she goes to six doctors in a row, she is still 15. If the doctors apply this legislation the way it is intended, she will not get an abortion. If I was a doctor and a woman went to one doctor and he said there is no medical ground, her health is not being threatened, I would be very leery to then perform an abortion because one doctor has already expressed an opinion under which I could be criminally charged. The doctor has already expressed that opinion by refusing to do the abortion on the basis that there are no medical grounds. That will happen. Any people who think that that is not going to happen are kidding themselves. Some people are thinking that the doctor and the woman are going to go quietly in the corner and wink at each other and then perform the abortion on demand. That is not what is going to happen.

• (1700)

Ms. Black: I would like to thank my colleague for Surrey North for his comments today. I know that he worked a long time in the social services field in British Columbia and had experiences with women in British Columbia before there was any access to abortion that were very painful for him to witness as a social worker. I know that his comments came from his experience in that area. I know that his comments were from his heart and were, in some cases, very painful for him to bring forward in this place today.

I want to ask him to comment specifically, on young girls, children who are having children. We know from statistics that Stats Canada provides for us that there are almost 50,000 children in care in Canada. The majority of these kids have come from poor families, families that in many cases are below the poverty line.

I wonder if my colleague could address some of the reasons that this criminal legislation is particularly wrong

when this government has taken no effective action to address the issues of poverty in this country, and particularly the heart-breaking issue of child poverty.

Mr. Karpoff: There are many issues that are related to this. I just want to use the example of the young mother with two children who is desperately struggling to keep herself and those two children going, who is having difficulty feeding them, and then all of a sudden is faced with an unwanted pregnancy.

This legislation does not allow her, based on family planning reasons, on socio-economic reasons, or for personal reasons that are entirely different to have an abortion. If she is forced then to have a third child, what I have seen over and over again is that six months later we have all three kids in care. The total family has broken down.

What we should be doing is allowing her to make that decision, More important, we should be providing her with enough income so she can support those two children, and enough income so that if she wishes to she may have that third child and be able to support that child in a standard of living that is suitable for Canada.

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Mégantic—Compton—Stanstead (Mr. Gérin).

Mr. François Gérin (Mégantic—Compton—Stanstead): Mr. Speaker, I had the privilege of taking part in the debate on abortion during the previous Parliament, a little over two years ago, and today I notice a difference in the views expressed by Hon. Members in this House. There is a difference between the positions taken by Members who have just been re-elected and who took part in the previous debate, and those newly elected Members, like the Hon. Member for Surrey North (Mr. Karpoff), because when we had this important debate in 1986, we had to vote on seven different resolutions. We expressed our own personal convictions with respect to each of these resolutions, without seeking a compromise. For us, it was a matter of conscience, principle, upbringing and education, and we voted accordingly. We were never able to get a majority in this House. Never, which is not surprising because there is more to this debate than pro-life and pro-choice. There are any number of variations between these two extremes, and I will get back to this later on. However, and if we all vote according to our own concerns, we will never reach a consensus and we will never produce a piece of legislation.

I want to congratulate the Prime Minister who, despite the problems of reaching a consensus in this House, has again told his caucus that Progressive Conservative Members may consider this a free vote. And I hope that the leaders of the opposition parties—it was a pleasure to listen to the pragmatic speech given by the Leader of the Opposition (Mr. Turner)—and I hope that the New Democratic Party will also ask its Members to vote according to their conscience, to be pragmatic and to be willing to seek a compromise. That is the only way we will succeed.

So it is a free vote, Mr. Speaker. But am I really completely free? Am I really free to vote any way I like? No, I am not. I have my conscience, I have my upbringing and education, and I have the religious values I was taught. I have my constituents in Mégantic—Compton—Stanstead who are very interested in this matter, who write letters and send petitions and come to my riding office, who call me up and let me know what they think, one way or another. There are also the people of Quebec and Canada who are concerned about this matter. But I also know that Canadians want their elected representatives to come up with a solution and produce legislation. In view of the legal vacuum that currently exists, they want us here in the House to reach an agreement and produce legislation that, although it will obviously not reflect every Canadian's personal position, will reach a compromise.

Mr. Speaker, I am a lawyer by profession, and I have worked in criminal law and as a defence lawyer. Unlike what the Hon. Member said, Mr. Speaker, I always felt this was not a law for lawyers. I always thought that criminalizing abortion would not deal with the problems underlying the whole situation around abortion. Economic factors, professional factors, women's careers, for instance, and various family constraints are all reasons why women may at some time consider interrupting their pregnancy. Making abortion a crime will not set a greater value on life. It will not deal with the various things that must be done to convince women to continue their pregnancy, to have children and give the most precious gift there is, the gift of life.

During the last debate, I voted against the motions that were tabled because I did not want to criminalize abortion. I said that was no way to deal with the situation. I said we had to provide financial help to women who want to have a child but can't afford to because they do not have the financial resources. We all know women in our towns and villages who would like to have a larger family but just can't afford it. We need measures to promote adoption, measures to provide assistance at all levels, and we need a genuine family policy.

Instead of talking about abortion, I would have much preferred to discuss ways of providing for a genuine family policy in this country that would make it possible to deal with all these problems. I think Canadians would much rather hear us talk about that than about abortion or the chances of it being criminalized.

We will not solve the problem by forcing a woman to bring her pregnancy to term. Certainly not. Making abortion a crime will not solve the problem. It is by taking steps to support pregnant women. It is in this sense that I consider myself now and always definitely Pro-Life. I want to encourage life by all possible means.

• (1710)

As a lawyer, I can tell you that the bill will criminalize a situation which, from the practical point of view, will never occur, except under extreme circumstances which any way would deserve a penalty, either under the Criminal Code or otherwise.

In a most interesting article, well informed *La Presse* Editor Alain Dubuc stated, and I quote: "The Bill defines abortion as a crime; yet, its application is so loose that it clearly supports abortion on demand." He added: "This clearly indicates a greater concern for ideas than for the concrete problems of women." Further: "In short, let us strike a balance between humanism and militantism". And finally: "All this means that abortion may be a crime, but no abortion performed by a physician in Canada will be a criminal act!" And I trust that is what is going to happen.

Let us have a look at the Bill which is so clear that most Canadian men and women will understand it easily:

> Every person who induces an abortion on a female person is guilty of an indictable offence and liable to imprisonment for a term not exceeding two years—

First of all, I wish to emphasize the fact that under the present abortion legislation, that person would be liable to imprisonment for life. This Bill adopts the least severe penalty under the Criminal Code, namely two years. There are penalties of five, ten and twenty years. There are different categories. In that respect, the Bill criminalizes abortion. I do not agree that it should become a crime, but it is the least serious criminal act referred to in Canada's Criminal Code.

> Every person who induces an abortion on a female person—

This, of course, excludes the woman herself. Under the old statute a woman could be sent to jail for life. In this instance, for all practical purposes the woman is excluded. The physician might be put behind bars to serve a relatively short sentence. That is a very big advantage.

Should I be offended because this medical act must be approved by a physician? No, not at all. Indeed I fail to see how an abortion could be performed by someone other than a physician. Even if we did not legislate the physician would still have to give his opinion. I do not see how a physician could be forced to induce an abortion if he happens to be against that medical act. We saw that in the Daigle-Tremblay case last summer. A number of Quebec physicians expressed the view that after so many weeks they would not have performed that abortion, even though the legislation had been struck down at the time. There was no law. If no physician is prepared to do it, we are back to square one. There has to be a physician to induce an abortion. Whether or not the bill says the advice of a physician is required, in practical terms it is exactly the same thing.

Here is how health is defined:

> Every person who induces an abortion on a female person—unless the abortion is induced by or under the direction of a medical practicioner who is of the opinion that, if the abortion were not induced, the health or life of the female person would be likely to be threatened.

Then we have the definition of health. That is what we learned from the Supreme Court in the Morgentaler case. Health means "physical, mental and psychological health". The woman's psychological health. Let me go back to the measures I mentioned earlier.

Today, the psychological health of many pregnant women in Canada is affected, because those economic measures do not exist, because there is no genuine family policy, because adoption proceedings have not been made any easier, and because a host of other measures that many Canadian women would have liked to see have not materialized. This may be one of the reasons why the psychological health of certain women who want an abortion is affected.

If we as parliamentarians got to work and considered a number of measures to promote life, to promote births and pregnancies, maybe we would not need this legislation which criminalizes abortion.

In Coaticook, where I come from, Mayor André Langevin and his town council said: We are going to do what we can. So the mayor offers $1,000 for every child born in this town. This decision was very well received by the community, It created a new interest. This modest initiative by a small Canadian town may not change much for the time being, but it may have a snowball effect. I saw this as a signal to the rest of Canada that we must sit down and give some serious thought to promoting life and children in this country.

This legislation is absolutely necessary. I can do without a replay of the circus we saw last summer, and I am referring to Daigle–Tremblay and the Dodd case in Toronto.

I would like to quote from an excellent article by Lysiane Gagnon in the newspaper *La Presse*, which pretty well reflects my concerns and my position on this legislation.

She says, and I quote:

> There is an ideological perspective and a pragmatic perspective.
>
> However, ideology doesn't stand a chance when we take a pragmatic look at the Bill. The proposed legislation practically allows abortion on demand, and ideological arguments do not hold up against an analysis of the realities.
>
> The concept of psychological health is the key element that would allow abortion for socio–economic reasons, in cases of rape or incest, and in fact for any other reason a woman might have for not wanting to be pregnant, because obviously, a woman who does not want a child will be under mental stress if she is forced to have one.
>
> Those Canadians who are ready to mount the barricades and fight recriminalization of abortion should remember that the most violent reactions occurred at a time when abortion was in a legal vacuum, after the Supreme Court decision which rendered the previous legislation null and void. It was last summer, when abortion was not considered a crime by the legislator, that we had that infamous legal circus. Under this legislation, the Daigle–Tremblay case would never have happened.

Mr. Speaker, this legilsation is absolutely necessary. Am I pro–life, am I pro–choice? *In medio stat virtus*. Virtue is equidistant from two extremes, which applies to many situations and also to this one.

Some are opposed to abortion in all cases without exception. Some would allow it in case of rape or incest. Some would allow it for a 13– or 14–year–old girl. Some would allow it in the first 10, 12, 14, 16 or 20 weeks of pregnancy. Recently, I even heard Dr. Augustin Roy say that we should set the limit at 22 weeks.

Some say the woman should see one doctor while others would like a second opinion or a therapeutic committee.

Mr. Speaker, some are in favor of abortion in all cases without exception. The possibilities are endless. There is such a wide range of situations that, if you tried to list them all, you would still be at it tomorrow morning.

We should not crystalize the debate thus allowing the Pro–Life and Pro–Choice groups to corner us into one or the other of those two extreme situations. There are many other things besides that. Indeed perhaps the two groups Pro–Life and Pro–Choice who are lobbying extensively prevent us from realizing what measures we should take to solve the problem in the first place. On an issue like this there are as many opinions as there are heads!

• (1720)

Mr. Speaker, some people call this a hypocritical legislation, but I for one think it is a fair compromise. It is a compromise which is not made against my conscience, which is not made against the basic principles I live by and which were given to me by my family, by those who educated me, and by all those with whom I came in contact during my life.

They say it could be improved. Of course it could. The same thing is being said about Meech Lake these days. However in some cases the word is leave well enough alone, and seek a consensus. That is not easy, considering there are 295 Members from every region of the country, each with his or her own views.

Setting pure ideology aside, one must be practical. So, Mr. Speaker, although I entertain reservations about some provisions, even if I have reservations about criminalizing, however lenient it may be, there is no doubt in my mind that as Member for Mégantic—Compton—Stanstead I must support and vote in favour of this bill. I agree with the Leader of the Opposition that the legislative committee will have to give serious consideration to this measure and improve it if possible. But basically I agree with the principles and the way this bill has been drafted.

[*English*]

Ms. Black: I thank the member opposite on the government side for his comments today. He showed great sensitivity to women and to how they feel about this particular issue. Most women in Canada view this issue of abortion and right to reproductive choice and freedom as the key indicator of women's emancipation, women's freedom in Canada.

More than 50 per cent of our population are women and they think of this issue as one where you cannot be a little bit pregnant, you also cannot be a little bit held under the Criminal Code. You are a full and equal citizen in this country, a citizen who is able to make her own decision under her own priorities and concerns, and not under the criteria established by a criminal law.

The member indicated that this was the best kind of a compromise that we could achieve in Canada around the issue of abortion. He also indicated that this bill would prevent the horror that we witnessed this summer with the Daigle case where we saw the very private details of a woman's life displayed across the media of this country. We saw her pain and her suffering as she struggled with this issue herself. We saw the courts in Quebec obstructing her and in some ways harassing her as she went through a terrible time.

I wonder how the member feels this criminal legislation will prevent that kind of spectacle again. It is my understanding that the injunctions that were held over Miss Daigle were done under civil law. This is criminal law that we are discussing here in the Chamber today. My understanding is that criminal law will not prevent civil injunction. In fact, one of my big concerns with this legislation is that we are handing another legal tool to the small majority of people in the Canadian population who would use any means and we have seen what they have done over many months to prevent a woman from exercising her own choice on her own reproductive health and the choice that she makes about becoming a mother. I would ask the member how he sees this criminal legislation preventing civil injunctions. How does he see this criminal legislation improving the situation for women in Canada? I simply do not believe that it does. I believe that it will diminish access and make the situation worse for women in Canada.

[*Translation*]

Mr. Gérin: Last summer, when the Supreme Court considered the court injunction in the Chantal Daigle case, it took not more than 30 minutes or three-quarters of an hour, I believe, to hand down its decision. One cannot request a court injunction on those grounds. That was established at a time when there was no legislation on abortion. So I imagine that answers your question, if in addition to the Supreme Court decision, whose reasons have yet to be published, we have this legislation as well. I think this is particularly important, because I believe that NDP Members, generally speaking, are in favour of having no legislation at all. They would prefer to leave it up to the woman, but now they will have to vote—I hope it will be a free vote for them as well—and I hope that women Members in the NDP caucus will demand a free vote and that when they do vote, they will consider this short quote, my last one by the same Lysiane Gagnon. I think she will appreciate this, and I hope she will return the favour in her next article:

"Instead of arguing about the semantics of the issue, feminists groups should set up effective lobbies to meet Members of Parliament and try and increase support for this Bill which, considering the realities, is the most progressive piece of legislation we could have. In any case, the Pro-Life lobbies won't waste any time".

[*English*]

Mr. Karpoff: Mr. Speaker, I find the member's comments very interesting. I think that he has thought them through a great deal. I certainly appreciate his sensitivity and his wish to make it as free and easy for a woman to terminate a pregnancy. I am quite intrigued that, as a lawyer, his interpretation of the bill is that if a woman sought an abortion, did not qualify for it on the grounds of a threat to medical health and was turned down, that would be psychologically hard on her and, therefore, her

psychological health would be under threat and now she would be entitled to it.

Basically, what the member is saying is that every woman under this legislation is entitled to abortion. First, I would like the member to tell me if the concept that is used is that she is denied, she is now psychologically upset about it, and therefore now she is entitled—the chicken and egg situation—under what circumstances does he see a woman would not be able to get an abortion? Are there any? If there aren't any, why is the bill not simply amended by using the words that state that "unless the abortion is induced or performed by or under the direction of a medical practitioner"—period, and striking out the rest of it altogether?

If we are saying that that is what the intent is, and some people over there seem to be kidding themselves that that is what the intent is and what the end result is going to be, then why do we not just cut the bill off and strike out all the words about health and life and threats and just say as long as it is performed under the supervision of a medical practitioner, period?

[*Translation*]

Mr. Gérin: Thank you for your question. However, I already answered most of the question at the beginning of my speech when I said that in 1986, I voted on seven different motions. Since I found none were acceptable, I voted against all seven.

• (1730)

Since 1986, I have come to the conclusion that we must reach a compromise that takes into account the basic principles of my philosophy, and those basic principles are reflected in this Bill. Fine, in your case, you may wish to see a limit of 17 weeks and 3 days, but you may get only 6 or 7 Members to vote in favour of your proposal, and you will never get that kind of legislation through the House. And by the end of the debate, we still wouldn't have any legislation, while the vast majority of Canadians not only want legislation, they want their Members to produce specific provisions in the form of a bill. So there is a lot of truth in what you say, but you want a bill that is a perfect reflection of your ideas and concerns. However, we must go beyond this desire for perfection which will never get a consensus in this House and produce something that will be acceptable to you just the same and which will help give Canadians what they want most, which is legislation that reflects all the basic principles you support.

[*English*]

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I am glad to rise to speak on Bill C–43, an act respecting abortion.

My leader, the right hon. member for Vancouver Quadra, has already indicated that there will be a free vote within the Liberal party because this is a non–partisan issue.

I must state at the outset that this bill is a grave disappointment and I cannot support it as it is. However, like my leader, I will support it going to a legislative committee so that amendments may be heard from all disciplines, so that we may seek clarification and improvements, so that we may examine the need to delineate the services that the women of our country need.

This issue, indeed, is most crucial and complex. It has been intensely debated for almost two years now and has even led to civil strife.

The Minister of National Health and Welfare, yesterday, in debating this issue indicated: "Sensationalizing individual lives cannot possibly provide the thoughtfulness, wisdom and judgment necessary to develop a bill which respects the rights of all Canadians, especially when those rights come into conflict with one another". I agree.

However, I must state that this government has delayed presenting legislation on abortion to this House for an unacceptably long period of time. The bill that we now have, as is, has not clarified anything. At best, it has only clarified issues vaguely. It does not protect Canadians in the womb of their mothers nor the mothers themselves.

Let us remind ourselves that once we members of Parliament were in the womb of our mothers. Had they aborted us we would not be here to be able to debate this fundamental issue.

This government states that Bill C–43 strikes a balance between the right of women to personal freedom and privacy and the state's interest in protecting the right of the unborn to life, that this bill is a balanced approach. This is not true. How can it be a balance when it compromises both rights?

This bill does nothing to protect the life of the unborn. It does not promote the value and dignity of human life, nor does it address the rightful concerns of women.

The bill states that abortion is prohibited unless a woman's health is in danger, but health is defined in such a broad and unverifiable way that this bill will basically allow abortion on demand. The bill sets no limits on the threat to health necessary to warrant abortion. A doctor will be able to perform a legal abortion for a woman once he forms the opinion that her life or her physical, mental, or psychological health would likely be threatened if the abortion were not performed. The proposed laws will not require the doctor to consult other doctors or to carry out the procedure in licensed premises, clinic, or hospital.

As a medical doctor myself by professional background, I must point out that this puts the medical profession in an inappropriate situation. Basically the medical profession will be delegated a task of writing parts of Canada's criminal law. It is not the duty of a physician in practice to be a legislator. The duty of a physician is not to solve the social and economic problems of society through performing abortions, but to protect the life of the unborn, a foetus' right to life.

It might seem that a pregnant woman has the right to abort since legal proscription of abortion seems to interfere with personal liberty. But I must submit that unrestricted personal freedom is not always possible.

It is acknowledged that the freedom of one person is limited by the personal freedom of other people. That is why we have in our Canadian Constitution a provision to that effect.

All seven Supreme Court judges stated in last year's ruling on this issue that the state has a valid interest in the protection of the foetus. The test is whether in exercising that interest Parliament imposes reasonable, demonstrably justified limits on a woman's constitutional right to security of the person, and whether those limits accord with fundamental principles of justice. The ruling of the Supreme Court in fact tells us that we in Parliament have a solemn duty to pass legislation on this issue.

Human dignity includes the right to the free development of one's personality which allows each individual to act on his or her personal moral convictions. But, conversely, human life and dignity have to be respected by anyone making use of his or her own right to act freely.

Thus the freedom to have an abortion must be limited to the extent that such an action encroaches on the rights of others, on the right of the unborn in the womb of his or her mother. Before discussing this further, I must point out that there is a possible encroachment on the rights of the person who makes use of her right to privacy by procuring an abortion.

Abortion may endanger the life and the health of the pregnant woman. Complications which can arise from abortion include perforation of the uterus and other physical damage. There is also a high incidence of post-abortion mental health problems, the symptoms of which include feelings of guilt, depression, drug dependencies, and even suicide attempts. Thus from the point of view of the mother's physical and mental health, in almost all situations it is to the woman's advantage to carry a pregnancy to term rather than to abort it.

Hence to preserve a woman's life or health, the woman's personal liberty to decide the fate of the unborn life may be restricted. Obviously it is necessary to prohibit destruction of unborn life, not only to protect the woman, not only to protect the mother, but also to save the unborn child himself or herself.

If unborn life were considered less worthy of protection than born life, this could lead to a decrease in the protection of born life itself. Just as a differentiation between born and unborn life is made, so a differentiation between life worthy of a right to live and life without such a right could be made.

• (1740)

Such differentiation has been made in the past. And we are all aware of the horrible results. Despite this, there are still people in certain parts of the world who consider abortion to be an accepted means of birth control. This, I submit, is reprehensible. This cannot be condoned and it is the responsibility of the state to prevent this.

Medical science has established that a foetus has its own body organs, has its own genetic code and is capable of full life after birth if allowed to fully develop in the mother's womb. When others argue that the stage of viability of the foetus be the criterion for abortion, then I submit that viability of the foetus is threatened, not

because of the fault of the foetus, but because of the intervention of men and women who induce abortion.

How then can the foetus defend himself or herself against such an argument? We who can speak, who can feel, who have been given life, must now speak for those who cannot speak for themselves. From the moment of conception an individual will increase in size, will increase in the degree of development, but he or she remains essentially the same individual from conception until death.

Regardless of personal inconvenience or personal preference, a physician, including myself because of my medical background, or even a prospective mother should not be able to take the life of the unborn child at will. If there is genuine threat to the life of the pregnant mother, all medical attempts must be made to save the lives, not of one, but to save the lives of both. Fortunately, from the medical point of view, carrying a pregnancy to term usually poses no such threat to the pregnant woman. Normally there is no competition for life between a mother and her unborn child. What is good for the health of the mother is good for the foetus and carrying a baby to term is usually in the best interests of not only the woman herself, of her family, but also of society as a whole.

Already there exist laws which indirectly protect the foetus. In penal law, it is a criminal offence for a third person to attack a foetus against the will of the pregnant woman. Also, harsher penalties are levelled against the murderer of a pregnant woman. Protection of the foetus through the protection of a pregnant woman is reflected in labour law. Yes, there exists legal protection of the foetus in penal, administrative, labour and civil laws. As members of Parliament it is our duty to pass appropriate legislation to protect the unborn child.

Some people will suggest that even if aborting a foetus is not a physical or mental health imperative, it should nonetheless be allowed as an economic imperative. I disagree most strongly but politely with the idea that we can ever put an economic price tag on human life. We should support, instead, improved programs for pregnant women and improved programs for new born babies and older children. We should facilitate adoptions and we must encourage men to be more responsible for birth control and, in the event of pregnancy, more responsible in terms of child support. If a child is unwanted by the mother this does not mean that the child is unwanted. A child will be wanted by the father or by the grandparents or by thousands of childless couples trying to adopt.

The mother has the opportunity of giving a lifetime of happiness to individuals unable to have their own children, who will love and cherish the adopted child as if he or she were their own.

Some will say that induced, non-therapeutic abortions will take place even if they are only allowed on therapeutic grounds, and that they will then take place in unsanitary and unsafe conditions at exorbitant prices.

As a medical doctor by background, I am deeply concerned indeed. I believe if we are interested in saving the lives of the unborn we should not be making it cheaper and safer to terminate their lives.

Pregnancy is not a disease. It is a natural and wonderful gift of life. We must use all methods to reduce the number of abortions, not only legal methods. These methods include better education and better support services such as day care, counselling services and adequate housing for the poor. We must identify the bases of why we ask for abortion. When we have identified the causes, then we as a government, as a society, must provide the necessary societal solutions. The government must exercise federal leadership to the extent that when a therapeutic procedure of any kind is indicated, those medical services must be available to all Canadians in every corner of this country. But on an issue of fundamental values, first and foremost the right to life, we must not hesitate to legislate in the interests of society.

Just because people will drink and drive regardless of legislation does not mean that we should not legislate. Just because some induced non-therapeutic abortions will take place regardless of legislation to the contrary does not mean that we should not legislate. That a law will be broken, is no argument against enacting such a law.

Some people will suggest that a child should not be born into poverty or a bad family, that such a life is not worth living. The adoption choice aside, is it not presumptuous for us to judge what kind of life is worth living and what kind is not? The issue of abortion involves two lives, not just one, and both lives must be protected whenever possible. Medical science has proven that life is a continuum from conception till death, and to

arbitrarily extinguish life at any point along this continuum shows a contempt for human life itself.

Yesterday the Minister of National Health and Welfare stated that our societal values change with time. I agree that some societal attitudes may change with time. I submit and add that life and its protection are eternal values that do not change and ought not to change with time. In an enlightened society such as ours, it should be legally acknowledged that life cannot be surrendered, that a bad law can be amended. True, a bad law is worse than no law, but it is no excuse for not enacting a good law.

Let us send this bill to committee for further study, to test the constitutionality and other aspects that we would like to raise. We cannot allow this bill as is. It will lead to a legal conundrum. It will be an invitation to abuse and a prescription for disrespect for the rule of law.

It is not sufficient to focus only on the political and legal ramifications of abortion policies.

Canada should make childbirth a more attractive alternative. Any society that prohibits abortion and does not care for the needs and distress of the mother, child and family after birth, is hypocritical. By legislating to protect unborn human life, the dignity of all Canadians and indeed the dignity of all human beings will be affirmed.

Those who are protected at the most vulnerable moment of their lives will thank us for the courageous and principled stand we take, and our country will have benefited from our faith in the inherent worth and dignity of all human life. Canada must continue to care for people, for life, when it begins. I resolutely believe that my constituents in Winnipeg North, in fact all Canadians, believe in the sanctity of life. I am confident they will be with me when I exercise my solemn duty to vote to reflect the collective conscience of Canadians.

• (1750)

Mr. Friesen: Mr. Speaker, first of all I would like to tell the member how much I appreciated his remarks. I think that they were sensitive and well thought out, and I certainly agree with the body of them.

A few minutes ago when the member for Surrey North was speaking, he mentioned that the problem with this legislation was that the decision would not be made by a woman but by a doctor. I asked him whether there were any other medical cases where the patient decided what the treatment should be rather than the doctor. He answered: "Yes, lots of them".

Now since the member for Winnipeg North is a medical doctor, I would like to ask him if he agrees that there are many cases where the patient decides rather than the doctor what the treatment should be.

Mr. Pagtakhan: Mr. Speaker, I thought following my election to Parliament that I would not be giving any more medical opinion. Of course, I alluded to that in my speech. In response to the hon. member, the answer is no. The medical doctor, by the medical act, makes the decision whether or not to treat. If he or she does this in great error, he or she, as a physician, is subject to the medical malpractice suit.

My concern, in fact, about this bill is that because there are no limits it is possible that a physician, because of his philosophical conviction, may do other than what medical practice usually allows a physician to do. I am still a member of the medical profession, although I am on leave of absence from the university. I find it difficult that the Canadian Medical Association has taken a position by a vote during a convention that performing abortion ought to be left to the decision of the woman and the doctor, as though that is the ultimate criterion for care of the unborn child, for care of the pregnant woman.

It is established medical practice that the criteria for treatment of almost all conditions, with very few exceptions, are based on scientific evidence. It is never based on a popular vote. It is because of that that I am concerned that the absence of strict limits of how even my own medical colleague would interpret the provision law. The absence of that certainty would not let me support this bill as is, and I would like clarification during debate at the committee level.

Ms. Black: Mr. Speaker, I too listened carefully to the member's comments today, and I know that he speaks with true conviction. I respect his conviction and I certainly respect his right to hold the views that he holds. I have some empathy with his position.

The member is a medical doctor and he spoke about women who are pregnant, under a variety of situations,

seeing their doctor. He talked, in particular, about a woman who may be pregnant and may be suicidal. He seemed to indicate that that was not what he would consider as grounds for an abortion.

He also mentioned other countries and what the laws were there. I would just mention that in Ireland, where abortion is totally illegal and totally outlawed, the abortion rate in fact is higher than the abortion rate in Canada.

But I would ask him as a parliamentarian and as a medical doctor, under this law that we are debating here today, if a pregnant woman was to see him requesting an abortion under what circumstances would he approve that request?

Mr. Pagtakhan: Mr. Speaker, I am really being challenged to exercise my medical judgment and I will do that.

It is given that when a physician approaches a patient and then wants to prescribe a treatment, the ultimate challenge to that physician is to save the life of that patient from an illness. In so doing, the physician has to examine alternatives of therapy, including counselling for example, including other modes of therapy that are not of a surgical nature. When a physician makes only one treatment approach, if we can even call it that, of aborting 100 women that come to my clinic so that when they leave they have all had abortions, well, I submit that that physician will be challenged through peer review by our colleagues, because the real treatment likely is not being practised.

Before I answer directly the specific question posed, let me clarify. For example, let us say the psychological health of the woman is in danger. What do we mean by that? Is it because one has a discomfort and, therefore, one would have an abortion? Well, if a physician does that, then he or she is not doing a proper job, because the therapy for depression is not abortion. The therapy likely will be counselling and other modes of therapy that do not have to terminate the life of that unborn. That is why only when the life of the mother is seriously threatened, gravely threatened, in the history of medical practice abortion is an accepted alternative, because in trying to save the lives of both, one has to give way, but not only for simple convenience.

Mr. Boudria: Mr. Speaker, I am sure that many colleagues will join me in congratulating the member for his speech. It is not often in this chamber, perhaps not often enough, that we can have this kind of debate, all speak from the heart, agreeing or disagreeing with each other regardless of party line.

I want to congratulate the member for the dimension he is bringing to the debate as a medical doctor. I know he did not think he was going to practise medicine upon his arrival on Parliament Hill, but I am going to ask him another question in regard to that. I hope the member puts up with that.

Some members had an opportunity of hearing Professor Peter Day from the University of British Columbia, who came to speak to a number of MPs on the value of abortion as a medical treatment, if you wish. That is really a follow up to the answer that my colleague has just given.

It was suggested to those members of Parliament who attended that very excellent talk a couple of months ago that in fact there was no record anywhere in the medical profession which proved that abortion was in fact a valuable medical treatment.

Dr. Day even went so far as to add that it was rather unusual, and perhaps unique to abortion, that prior to using that medical treatment—I will call it that loosely for the purposes of this discussion—no experimentation had been done, as we do, for instance, when we experiment with a new kind of drug or a new kind of treatment. We will study that on either other life forms first or we will select a few individuals and study what the benefit is of a treatment, then evaluate that and decide whether we want to apply that treatment to society as a whole.

I want to ask my colleague, in his professional opinion, if he knows of any such studies that actually demonstrate that there is such a benefit from abortion as a medical treatment. Again, I am using that term. It has come to my attention that, in fact, there was no proof that abortion was ever a good medical treatment. I want him to comment on that.

Mr. Pagtakhan: Mr. Speaker, I thought my hon. colleague, the hon. member for Saint-Henri—Westmount, who is a lawyer would give me legal advice before I continue to give medical opinion in Parliament. But because we have parliamentary immunity, I can do so. I must say, however, in all seriousness that I still maintain my medical licence.

In response to the question, there has not been any study, nor could a study ever be done in a controlled scientific fashion to test the hypothesis whether abortion will be a valuable therapeutic procedure for psychological problem that may be related to pregnancy. But there are well established scientific and medical principles. The first principle is do no harm. Now, the Hippocratic principle is a very valuable one. What it tells us is that if we cannot prove that a treatment procedure is valuable, we have to accept that it ought not to do harm. Evidence has shown that in fact, abortion has induced psychological trauma in women. There is no proof that abortion is a valuable therapy for psychological problems.

In response to the question, even on medical grounds, we cannot allow abortion as a therapeutic procedure on just the request of a woman for psychological, emotional or economic difficulties, with all respect for the concerns of the women who truly may be in distress. But I would like to see alternative forms of therapy like counselling be provided by government and an assurance that societal help will be offered.

[*Translation*]

Mr. Deputy Speaker: It being 6 o'clock p.m., pursuant to an order adopted on Tuesday, November 7, 1989, the House can now move to resume and complete third reading consideration of Bill C-20, An Act to amend the Excise Tax Act and the Excise Act.

* * *

[*English*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed from Monday, October 23, consideration of the motion of Mr. Loiselle that Bill C-20, an act to amend the Excise Tax Act and Excise Act, be read the third time and passed.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to have the opportunity to participate in this debate, and I wish to do so only briefly. As you will know, Mr. Speaker, my colleagues in the Liberal caucus and I, as well as my colleague for Ottawa South, will be speaking more extensively later on this bill. We have rejected this bill and do not feel that it is in the best interest of Canadians. The member for Ottawa South will describe in a far more eloquent way than I can how wrong this bill is for our country.

We are discussing this bill at the same time as the Prime Minister brings us his so-called tax reform. It is very important to discuss these two issues at the same time because the Prime Minister and the Minister of Finance keep telling us that some of the taxes we have right now are unfair, that they are wrong. We have at present a 13.5 per cent federal excise tax. That 13.5 per cent is applied right now by the government but under existing legislation, that rate is only 12 per cent. Of course, through the motion of Ways and Means and so on, that 12 per cent has been increased to 13.5 per cent. This bill today would formally place that into effect.

What is interesting, and I am sure you will be interested in this, Mr. Speaker, is that this federal excise tax has been qualified by the Minister of Finance as being a silent killer of jobs. It was a silent killer of jobs when it was 12 per cent, so what does the government propose to do with the 12 per cent silent killer of jobs? Increase it to 13.5 per cent.

Mr. Walker: Amazing.

Mr. Boudria: Amazing indeed. Perhaps the Minister of Finance can explain this to us later. I know he is paying very close attention to my speech, I can tell from looking across the way. Later he will want to react to this and tell us how increasing a silent killer of jobs from 12 per cent to 13.5 per cent is going to make things any better. I challenge the minister to rise right now in his place. I know he will not do it. I know the Minister of Finance will not answer these questions that I am asking, otherwise he could rise immediately in his seat and discuss this with us.

Some Hon. Members: He is afraid.

Mr. Boudria: That's it, my colleagues say he is afraid and that is why he is not reacting. I know that that is the case.

To make matters worse, this silent killer of jobs which has increased now to 13.5 per cent was only 9 per cent when the Conservatives took office. The Conservatives are proposing was the appropriate rate, why did they not leave it there to start with? Why did they bring it up to 12 per cent, and by the way it took three tries to bring it there. They brought the tax from 9 per cent to 10 per cent and so on and then to 12 per cent, and today to 13.5 per cent. This is the fourth time since the Conservatives have been in power that they have increased the federal

excise tax, making it 13.5 per cent. It was 9 per cent in the beginning, as I said awhile ago.

Being the objective person that you are, Mr. Speaker, you will no doubt be very upset, as I am, to see that the government is doing this. The government, for instance, is telling us that the proposed tax of 9 per cent will be much fairer. Right, the tax will be much fairer. We have a 13.5 per cent tax now, which is unfair according to the minister, but that 13.5 per cent unfair tax is only really 7 per cent at the retail level. We are going to take taxation at 7 per cent at the retail level and increase it to 9 per cent with the proposed goods and services tax and that is supposed to make it better. Well I have some difficulty understanding how any of this will be better.

Bill C–20, that we are discussing today also proposes to entrench the fact that we now have an 11 per cent tax on telecommunications services and programs.

I represent a rural constituency and I am sure you are familiar with my riding as you drive through it coming from your own constituency to Ottawa. I am sure that you have noted, Mr. Speaker, that the riding that I represent is rural. In this rural riding, a tax on telecommunications services is a tax on an essential service.

The government has said that there is no problem because distance rates. I ask you, if you live in a rural area the basic telephone rate is about $6 a month; it is the long distance rates that are expensive and the people have to phone long distance to their doctors, the hospitals, the ambulances and everything else. I can tell that you agree with me about how unfortunate and how unfair the taxes are, Madam Speaker.

The tax on alcoholic beverages is increased from 18 per cent to 19 per cent. That is enough to drive someone to drink, I tell you. Those sin taxes are included in this bill and I suppose it is fashionable to accept that there is always a certain measure of increase in those so–called sin taxes in every budget, but we should remember that just as it is easier to tax those sin items, cigarettes and alcohol and so forth, we should remember that the taxing of any item has an inflationary impact, no matter how you cut it.

There are a number of other items which I feel are particularly objectionable in this bill and I want to urge all my colleagues on both sides of the House to vote against this bill. One of these measures which is particularly objectionable is the increase from 8 per cent to 9 per cent on the tax on construction materials.

There is an acute housing shortage in this country and we have been bringing this to the attention of the minister responsible for housing—and I use the word "responsible" loosely—questioning about what measures the government can undertake to make housing more affordable, particularly in large downtown areas. The government stands there pretending to be interested, sometimes announcing a grant to assist in building, I do not know, 50 homes in Toronto or something. I am sure it helps, every little bit helps, but the real assistance, surely, is to organize our taxation in such a way that it does not penalize people who want to buy a home. So what do we do to those poor people who are trying to find a place to live? We increase the tax on their houses, the tax on construction materials. Shame on the government.

• (1810)

I say to the minister that he should rise immediately in the House and withdraw this bill. I know he will not do it. The Minister of Finance just will not bring himself to rise immediately in the House, as I am suggesting.

To make matters even worse for my constituents living in rural Canada who commute to various cities to go to work, this bill will increase the excise tax on gasoline. I remember the Conservatives across the way would complain when they were in opposition, because they said that the previous Liberal government had increased taxes on gasoline. Of course, we remember that most of the increases in the early 1980s were due to increases in the actual price of the product as opposed to increases in taxes, but no matter.

Every budget since this government came to power in 1984, and a sad day it was in 1984 I might add, has increased the excise tax on gasoline. This tax alone, this latest increase, will add $660 million to the burden my constituents and your constituents, Madam Speaker, and all Canadian citizens have to pay to this government across the way.

I know the bill contains a fuel tax rebate to some primary producers in respect to sales tax on gasoline and highway diesel fuel for off–highway production purposes

and that it is extended for one year to December 31, 1990, pending the so-called sales tax reform. The bill also contains some minor technical amendments relating to the so-called burden of proof under the Excise Act for the marketing of tobacco products and the penalties for selling or possessing illegal tobacco products.

There is also in this bill the imposition of a sales tax on laundry detergent. I say we will not get clean government with strategies like that, taxing detergent. It would seem that things have to be cleaned up across the way but that is the last thing they should be taxing.

The long and the short of it is that we just cannot trust the government across the way in the area of taxation. It is difficult for us to imagine that we could not trust the government across the way. I am saddened to tell you this, Madam Speaker, as you can tell.

Let me give some examples of reasons why I say this. All of these bills are presented to us as sort of the last cleaning up of our taxation system before tax reform is implemented. But here are some promises that the Conservative government made, and more particularly, the Minister of Finance. I invite him to respond to this later, if what I am telling him is inaccurate. I think that what I say will remain unchallenged by the minister. He will not respond to this.

On October 8, 1988, he said to *The Toronto Star*, a very reliable source of information, "The bottom line is that the GST will not be used to raise revenues of the Government of Canada". In other words, it would be revenue neutral.

On CTV National News, Friday, June 19, 1987, the Minister of Finance said, "again, what we are trying to do is be using your words, revenue neutral in the second stage as well". You probably remember, as I do, that the government proposed to us a first copy or white paper or draft of what it proposed to include in the second stage of tax reform. What was one of the first sentences in the document? It was something that this proposal is presented in order to reduce the deficit of the Government of Canada. I ask, how does a revenue neutral tax reduce the deficit any quicker than the previous tax? I still have not received that explanation from the Minister of Finance. I challenge him to respond to this. I know he has not responded to any of the questions I have asked in the last 15 minutes.

Mr. Walker: He is not interested.

Mr. Boudria: I guess he is just not interested. The bill we are dealing with today is all about the invisible taxes, those kinds that are the silent killers of jobs. Those are the ones included in Bill C-20. We are making the silent killers of jobs just a little bit worse today by adopting this bill if that is what we do. In the unlikely event that we approve this bill later, that would be the ultimate result.

[*Translation*]

On June 18, 1987, Madam Speaker, referring to the Low visible of this new value added tax was going to be, the Minister stated, and I quote:

> Sales tax reform will eliminate the hidden tax in the prices consumers pay.

This is an excerpt from the House of Commons Debates of June 18, 1987.

Then, on June 22, 1989, some two years and four days later—you know what difference two years can make, Madam Speaker. Please note that an election had taken place in the meantime, but this suppose is only a mere coincidence. I am sure it did not influence the Minister's opinion in any way.

The Minister said—I am pleased to see the Hon. Member for Mégantic—Compton—Stanstead (Mr. Gérin) across the floor, for I have something to say to him later.

Mr. Gérin: That is not what you said!

Mr. Boudria: Then on June 22, 1989, we were told, and I quote:

> Our legal advice is that we do not have the legal right to require a retailer to impose the tax extra to pricing, or to include it in the pricing.

Another contradiction! Again, when can we believe the government opposite, Madam Speaker?

Personally, I am sorry to say, I have come to the conclusion that we just cannot believe the government opposite any more, and that the Canadian people were duped by the Tories during the last election campaign.

[*English*]

This leads me to believe, very sadly I might add, that this Bill C-20 should be defeated. I say to all my colleagues across the way, all the ones who can think objectively in this debate as I know they should be able to

do, defeat this bill and vote against it, because this bill is a silent killer of jobs. The Minister of Finance said so himself. If the Minister of Finance disagrees with what I said just now, let him rise immediately in his seat and state so right at this moment.

[*Translation*]

Mr. Gérin: Madam Speaker, my colleague just made a good speech about people who he says mislead others. WonderBra-Canadelle has been in Lac Mégantic in my riding for a very long time and gives work to many people. This company is also in Rivière-du-Loup and employs many there. This company was also in the riding of my friend opposite and at some point, it changed its operations and decided to shut its plant in my hon. friend's riding and to expand its plants elsewhere, for the sake of greater productivity and competitiveness. The company has invested a million dollars in Lac Mégantic. If you knew how angry the company president was when he called me! He said to me: "Who is this Liberal Member to blame it on free trade? Free trade has nothing to do with it. He is completely mixed up! This Liberal MP is trying to confuse Canadians, to mislead Canadians by doing that." I think that he sent him a letter or phoned him.

• (1820)

But the Hon. Member did not write or make a public statement saying that he had just made another mistake, and it happened in his own riding. You know, Madam Speaker, I listened to his speech. It is fun to point one's finger and say, "You misled people, you misled people!" No, we misled no one. The president of the company himself, Mr. Létourneau, accuses *you* of misleading your constituents and Canadians in general. Canadelle-WonderBra has greatly increased its staff as a result of free trade, with freer movement of goods. This company is in an excellent position. So be careful with your accusations! Watch out for those accusations which are completely gratuitous and try, sir, to be objective and impartial. With this Bill in particular, strive for that impartiality which is absolutely necessary for the men and women of today who are called upon to govern the country.

Mr. Boudria: It is hard not to answer that, Madam Speaker. Of course, it will be very easy to disagree totally with my friend opposite.

First, he, more than others, should know that Canadelle, when it shut down in my riding, cost 100 women their jobs. I certainly have no apologies to make to Mr. Létourneau who has just closed a plant in our area and cost my constituents their jobs. If anyone should apologize, it is he—he should come to my riding and publicly say he is sorry to my constituents whom he hired until two months ago, telling them that there were jobs for them, knowing that he would lay them off two months later.

Mr. Gérin: Three hundred jobs in Québec!

Mr. Boudria: Now, Madam Speaker, I want to tell my colleague from Mégantic—Compton—Stanstead (Mr. Gérin) that he also must know that Canadelle, an American company 100 per cent owned by Sara Lee of Chicago, bought out its only competitor in Canada, Daisy Fresh, or what was for all practical purposes its only competitor. So Canadelle has almost cornered the market. This company has the whole market to itself in Canada.

Investment Canada's criteria are such—

Mr. Gérin: A wonderful company!

Mr. Boudria: Investment Canada's criteria, Madam Speaker, are such that the Government of Canada must not allow a competitor to acquire a Canadian company if it eliminates competition. What did the Conservative Government do? It let Canadelle buy out its competitor and there is only one company left in Canada. What do we see today? We see plants close in my riding.

I must tell the Tory Member opposite and other Conservative Members who will listen that as I speak now, there are women in Hawkesbury who are losing their jobs because of this Government's policies. If apologies are in order, the Conservatives whose policies force my constituents out of their jobs should apologize.

I see the Hon. Member opposite, the Minister— At least she no doubt sympathizes with the 95 women in my constituency who are losing their jobs before Christmas.

Mr. Gérin: She is not Minister!

Mr. Boudria: Madam Speaker, I must tell you that the matter is not funny.

I think I just recognized an Hon. Member who is not a Minister as being one. I wish she becomes a Minister some day. Perhaps she would be more qualified than those who are now in office—that would not be difficult.

I would like to suggest to her that there are hard times in Hawkesbury, in my constituency.

On December 1st, 1982, 20 per cent of constituents in that community lost their jobs. That was because of a pulp and paper mill.

Mr. Pronovost: Getting a new Member of Parliament is the only solution.

Mr. Boudria: I must tell the Hon. Member for Shawinigan that this is not funny.

I would like to suggest to the Hon. Member opposite that at that time in 1982, 20 per cent of constituents in that area lost their jobs. This no doubt was one of the saddest periods in the history of that community. And now, in 1989, when the rest of Ontario is booming, we are hit once more, with that many constituents losing their jobs. And to add insult to injury, it seems those famous corporations have a knack making such announcements before Christmas, as if this was not sad enough. At least they could show a little more sensitivity when choosing the timing.

Anyway, this is my answer to the Hon. Member for Mégantic—Compton—Stanstead.

[*English*]

Mr. John Manley (Ottawa South): Madam Speaker, first I wish to express my gratitude to my colleague from the New Democratic Party who has enabled me to go next in the speaking order. Even as I stand here, I am sure that hundreds of my constituents are beginning to gather out in Ottawa South where they hope to hear the truth about the goods and services tax and to express their discontent and displeasure about it.

I wish to speak on Bill C–20 with reference to a very particular problem in it. I will resist the urge to go into many of my concerns about the tax that is proposed to replace the existing Excise Tax Act, namely the goods and services tax. My concern relates specifically to clause 8 of the bill. I must say at first glance it appears that the proposal in this bill is just to make a few simple changes to the Excise Tax Act, albeit important ones as it involves increasing the rate at which the tax is imposed on various items.

In clause 8 there is a provision that would shift the federal sales tax on laundry detergents from the manufacturing level to the wholesale level, effective January 1, 1990. While this bill and this clause in particular were examined by the legislative committee, I am of the view, having reviewed the proceedings of the legislative committee, that this review unfortunately did not fully address some key problems which ultimately will serve to cause distortions in this industry.

In the first place, I believe that this shift would cause some significant administrative and legal problems as a matter of enforcement of the act, as well as administrative and financial problems for those involved in the distribution chain with respect to this product.

Moreover, some of these complexities would be imposed only one year before the goods and services tax is to be implemented. We all know of the potential complexities and difficulties that are faced with that. It makes one wonder why a mere year before the imposition of the new tax we are changing significantly the application of the old tax to the laundry detergent sector.

As I understand the laundry detergent industry, clause 8 appears to discriminate in favour of one firm in Canada at the expense of others, fundamentally affecting the competitive environment for this product. To be specific, it appears that the firm Proctor and Gamble has been given a hand by the government when it could very well have tended to its own affairs in the current legal framework.

What is even more disconcerting is that it appears that this matter should have been elaborated upon in the legislative committee. For some reason it was not. Clause 8 in Bill C–20 has the effect of interfering in the marketplace where presumably the marketplace has the ability to sort itself out.

Generally, tax shifts of this type are determined through consultation with the relevant industry, usually at the request of the majority of the industry in Canada. It concerns me that the majority of the industry does not concur with the approach the government is taking in this specific case.

Pet litter, video cassettes and automobiles are all examples of cases in which such shifts have occurred in the past, where the majority of the industry in question has made the request to shift the tax to a different level in the production distribution chain. This majority request scenario usually benefited Canadian manufactured

goods versus imported goods. The following points should be considered before we proceed any further with this bill: first, it is patently unfair to make this move since it benefits one manufacturer and discriminates against others. It therefore puts the government in the position of helping one manufacturer over others. Second, it is in effect for only one year, assuming that the goods and services tax is in fact enacted by this House and implemented as of January 1, 1991, which we have all read about in the newspapers.

• (1830)

Likely, therefore, the legal problems for the government and the industry during this year will just compound the difficulties to be faced with preparation for the implementation of GST. Next, the financial return to the government, as I understand it, is insignificant. Finally, finance has apparently elected not to provide in the bill a definition of laundry detergent but has decided to leave that matter up to Revenue Canada to administer.

The proposal moreover has the appearance of being politically motivated rather than being a fiscal proposal consistent with other fiscal measures. For these reasons, I move the following amendment to the motion which is before us:

> That the motion be amended by striking out all of the words after the word "that" and substituting the following:
>
> "Bill C-20, an Act to amend the Excise Tax Act and the Excise Act be not now read a third time, but that it be referred back to a legislative committee for reconsideration of Clause 8 (1)."

The Acting Speaker (Mrs. Sparrow): Debate is on the amendment. The hon. member for The Battlefords—Meadow Lake.

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, I appreciate the opportunity to be able to rise today and speak to the motion before us. Essentially the essence of the bill is the increase in excise tax. As we know, every Conservative budget since 1984 has made plentiful use of the consumption tax and used increases as a source of new revenue. We, the New Democratic Party, have estimated that the Conservatives have added more than $900 to the tax burden of the average Canadian family between the years 1984 and 1988 through increases to the sales and excise tax alone.

In addition, a central tentative tax reform has been to further increase the role that consumption taxes play in our system over all. The 1989 budget contributed significantly to this trend and the move toward the implementation of the goods and services tax continues that contribution. First of all, the Conservative government increased the federal manufacturers' sales tax on assorted items on many occasions through this period of time. As we have heard expressed in this House on numerous occasions and as I have heard expressed in my own constituency during public hearings that I held, this government came into power in 1984 with a manufacturers' sales tax at 9 per cent. That manufacturers' sales tax has been increased a number of times to the point where it was at 12 per cent prior to the introduction of the bill that is in front of us today.

This bill, despite all of the words the Minister of Finance has used to describe the manufacturers' sales tax, killer of jobs being the most prevalent that he has used, despite all of these things that manufacturers' sales tax is being increased in this bill from 12 per cent to 13.5 per cent. It is a bad tax being compounded by being increased to further add to the costs of our manufacturers and of our consumers.

The other changes that are proposed in this legislation that is in front of us are an increase in the sales tax on construction materials and equipment for buildings from 8 per cent to 9 per cent beginning January 1, 1990; an increase in sales tax on alcoholic beverages and tobacco products from 18 per cent to 19 per cent, already begun the day after the budget was presented on April 28, 1989; an increase in the sales tax on telecommunications and programming services from 10 per cent to 11 per cent beginning on June 1, 1989; and an increase in the sales tax on all other goods, the manufacturers' sales tax that I referred to goes from 12 to 13.5 per cent which began on June 1, 1989. Despite this legislation still being in front of us, that increase has been implemented already.

I think that this has to be taken in an over-all context as we look at what is happening to our economy as a whole and the various pieces and how they fit into it. This government has been attacking the consumer and

the individual member of our economic society with little tax increases here and little tax increases there and the over-all impact has been significant.

A couple of things that are of considerable concern to me are the agriculture sector and the northern economy. We have to look at not just this excise bill but the possible implementation of the goods and services tax and the other matters that this government has recently been, in a sense, foisting upon the people of Canada.

I particularly, at this point in the evening, want to draw the attention of the members of the House to the people who live in the northern part of Canada, the people who have been living in areas designated for the northern tax allowance. Those areas include substantial parts of northern Saskatchewan, Manitoba, Alberta and British Columbia.

A task force recently reported to the finance minister. This task force recommended very strongly that the boundaries for the northern tax allowance, the benefit program for people who live in northern and isolated communities, be moved north so that we disentitle from that tax benefit a large number of those Canadians in Saskatchewan, Alberta, Manitoba and British Columbia as well as many people in the Atlantic provinces and the northern part of Quebec and Ontario. In Saskatchewan alone, if the recommendations of that task force report are accepted, 150 communities will lose benefits under the northern and isolated posts tax allowance program.

I have called upon the Minister of Finance to reject the recommendations in that report for a number of reasons. These reasons include the fact that the northern and isolated tax benefits program recognized that people who live in these communities have an unfair burden to carry because of their distance from the manufacturing sectors, from the distribution sectors of our country.

• (1840)

I think particularly of people in communities in my constituency who live some distance from those points. They are paying a considerable amount extra as it is for the goods and services they purchase. This bill before us today increases the cost to those people at a higher rate than it would to the people who live in Toronto, Vancouver and Montreal. I think it is going to be tough enough on people who live in Montreal, Vancouver, and Edmonton to pay the extra costs that this excise tax bill will impose on them. Add to that the burden that is going to be carried when the northern people have to pay the new 9 per cent tax, when that is implemented, and then remove the benefit which equalizes them with the larger urban centres. We see that it is a very disproportionate burden that these people are going to have to pay. These are people who are working, raising families, trying to make a living in communities that are a considerable distance from the large urban centres.

Many of them are there because that is their home, that is where they want to be and that is the quality of life that they want for their children. They are close to other family members and, as a result of the removal of their tax benefits and the imposition of these new taxes, it is more and more difficult for these people to live in the same world and society that is being lived in by those members of the House from the larger urban centres, particularly the Minister of Finance from downtown Toronto. People who live there cannot understand what it is like to have to get up on a 40 below January morning and have to drive 50 miles in order to get to the place where you are going to earn your living that day. It is a situation that I consider to be quite intolerable.

The northern tax benefit program was one that I considered to be not quite as fair as it could be. I have had many opportunities to discuss that program with the chairperson of the northern tax program prior to writing his report. We discussed quite a number of things including the fact that the existing program was unfair to a number of those people in the communities. We were looking at ways to make that program much fairer for the individuals who live there.

I can think of many different scenarios that were presented to the chairperson of the task force that would make the program more fair for those people who living there. Instead, what was it that the task force did? On the advice and direction of the Minister of Finance the task force decided that it had to cut the costs of the government and foist those costs on the people who live in the northern part of Canada. We estimate $100 to $150 million will be coming out of the economy from the northern and isolated communities because of the recommendations of this task force report. That will be $150 million going to the coffers of the government from northern residents all at once and on a yearly basis. I think it is an appalling situation that has to be corrected

immediately. The only way to correct it is to reject the recommendations of that task force.

Those people who came before the task force said that it is an unfair tax and proposed different ways to deal with it. The chairperson of the task force decided that instead of dealing with this in a fair manner, he would simply move the boundaries north in order to get away from the squabbles and arguments that were occurring in some of these communities. They wanted to set it up so that it would be far enough away from the population so that there would not be much fighting over where the boundary line is.

In terms of neighbours, you are talking about two people who live in a community, two people who have separate properties and put a fence down the property line. One person decides that that fence is in the wrong place and starts to argue over where that fence should be. This government is proposing to expropriate the land, pull down the fence and force those people to live under rules which no longer apply to them. It is a situation that creates a worse unfairness than that which existed before, and that has to be corrected. It is not going to be corrected at all when we have to deal with legislation like that which is in front of us today which calls for the continued increased in taxes.

I might indicate that under all the circumstances that we see here the average northern family in Canada can look at increased costs of $710 a year as a result of the budget this year of the Minister of Finance, and $1,000 after the tax reform of the government has been implemented by 1991.

It reminds me of a story that I heard recently about a young fellow by the name of Brian who was going to school. The teacher found young Brian out in the schoolyard just a hammerin' on one of his schoolmates. The teacher said to young Brian: "Why are you pounding on your friend? You have him down. Why are you hitting him when he is down?" Young Brian looked up at his teacher and said: "Well, that is what I got him down for, teacher".

That is exactly what this government is trying do to people of the north. It has them down and is continuing to hammer at them; first of all with excise tax increases, second with the removal of tax benefits that equalizes their ability to live in the north and, finally, with the goods and services tax. Hit them when they are down. That is exactly what this government is attempting to do here.

We can look at what the excise tax means to the people of the north. There is a 10 per cent telecommunications tax. If there is anything that technology in this country is doing, it is improving the ability of northern Canadians to communicate for health purposes, for business purposes, and for many other purposes that make life a little easier in the north. No sooner is the technology available to assist northern Canadians to live their lives better than the government comes along and puts on a new tax that makes it more expensive for them to utilize those new technologies.

We can also look at building materials. This excise tax bill increases the cost of construction in the north, a direct cost on something that is already very expensive. We know that people in the northern communities, the Indian and Métis communities, or just any of the communities in northern Saskatchewan, Manitoba, British Columbia, and other parts of the country, the costs of construction and the costs of living are much higher than anywhere else. This government comes along and says that it is going to make it more costly for them to live there and is doing absolutely nothing to try to equalize those costs through the tax benefit program that is being removed.

There are quite a number of things that I would like to say. I could go on and talk about the goods and services tax. Before I conclude today, I should mention briefly that witnesses appearing before the finance committee talking about the cost of living in the north indicated that it is possible that the implementation of the goods and services tax could cost northern Canadians as much as 26 to 30 per cent more for their goods because of the way in which the tax will be calculated on transportation and the handling of goods that are going up to the north.

We are talking about things that are not taxed and will not be taxed under the existing legislation. Food in the north will actually be taxed because it has to be transported to the north. That transportation will be taxed, as you are very much aware, Madam Speaker. That is not going to be subject to the rebate program that the government has been talking about.

The government is forcing Canadians not just to think about tightening their belts, not just to plan to tighten their belts, but is forcing them to actually tighten their belts themselves. The member for Mississauga South, who is the chairperson of the finance committee, was quoted yesterday in this House as talking in a letter about the government stealing money from Canadians. There is no question that this forced belt-tightening by this government is taking money out of people's pockets. They are taking away the disposable income from people in rural and northern Canada, the disposable income that is so important to stimulate those economies. We have incredible amounts of difficulty in the north and in rural parts of Canada, a lot of which has to do with no disposable income. The price at the farm gate is insufficient to provide disposable income for the agriculture sector. Therefore, there are no extra funds to maintain and build small town Canada. The same applies to northern and isolated communities. This government is forcing that upon us, and there is no recourse for the people in these parts of the country.

• (1850)

The New Democrats have long recognized the inequalities in the existing sales tax system. There is no question. The Minister of Finance points it out day after day in the House here that we want reform of the sales tax system in this country. Unlike the Conservative government opposite, our reform objective is to limit the role consumption taxes will play in our system, not to heighten it further. The economy can ill afford the possibility of higher interest rates which will be caused by these sales tax increases.

The sales tax increases will add to the inflationary pressures that we feel. As a result, the interest rates in the country will go up. Again, in the rural and northern parts of the country, there is no question, interest rates have to be dealt with by this government quickly and in an appropriate fashion for those communities.

I look forward to other opportunities when I can discuss the goods and services tax in particular. In a previous speech in this Chamber on October 7, I mentioned that I held public hearings of my own in my constituency. Residents of the community came and presented their concerns about the goods and services tax. I have since written a report, and presented it on behalf of my community and my constituency to the members of the finance committee. I look forward to the opportunity to discuss the results of that hearing and the recommendations in that report with members opposite in this Chamber at another time.

Mr. Althouse: Would the member for The Battlefords—Meadow Lake care to briefly tell us some of the things that his constituents were telling him about the goods and services tax.

Mr. Taylor: I appreciate the opportunity the member for Mackenzie has given me.

We had representations from almost every sector of our economy. We had representations from the farm community, the business community, the charitable organization sector, the tourism sector and the service sector. Many individuals, groups and organizations came before us. The public hearing was shared and co-chaired by a member of the legislative assembly in the urban part of my constituency, Mr. Doug Anguish, a previous member of this House. Members of the community came before us and presented their concerns.

One of the particular concerns that struck me was the effect that the goods and services tax will have on the charitable organizations in our community, not the charitable organizations that may in fact get a 50 per cent rebate on some of their costs, but the ones that will not be eligible for rebates at all. One in particular the member for Mackenzie might be interested in is the Agricultural Society, the organization that puts on and sponsors our annual summer fair. It brings in numerous people from throughout the country to display their agricultural products, their livestock, their poultry, as well as participate in the midway and the fun and games that go along with a country fair.

The Agricultural Society or the Exhibition Association, as they are called now, came before us and indicated that the goods and services tax is going to be applied to admission cost. In a sense, this will deter people from coming to the fair.

The tax will be applied to the sale of lottery tickets. Saskatchewan already applies a tax to lotteries. We call it "the tax on dreams". The people of Saskatchewan are turning their backs on the provincial government because of this 10 per cent extra tax on lotteries. Can you imagine what will happen when there is another 9 per cent added to the cost of this so-called tax on dreams?

That affects the Exhibition Association and the running of our fair in that the fair organization makes money by renting stalls to charitable groups and organizations for the sale of raffle tickets. One organization will be raffling a crocheted item, another one maybe a large quilt that has been made by a large number of people. The funds raised by these raffles are used for community events. The cost of those raffle tickets in Saskatchewan has more and more reduced the sales of them. The charitable organizations putting on those raffles are no longer coming to the fair and renting the stalls.

The addition of the goods and services tax means that the revenue base that is available to the Exhibition Association is less. It will not be long before we find that the Exhibition Association no longer has the revenues it needs to provide that fair which brings tens of thousands of people to our community in the Battlefords for those fair days. That is money that is not going to be spent in our community on other things like restaurant food or hotel rooms, all of which will be subject to tax which were not taxed before.

I want to raise briefly one other example. I am looking forward to quite a large block of time offered in this House to discuss this matter more fully. The North Battleford City Kinsman Band, an organization that is sponsored in part by a local community group which provides music lessons for young children in our community, is going to have to raise an additional 8.7 per cent in operating funds just to survive from year to year because of the imposition of the goods and services tax. This is a horrible situation.

This band, the number one marching band in Canada right now, as a result of Canada-wide competitions may not exist, according to the bandmaster and the band's parent association, in three years time because of this goods and services tax forcing the cost of music lessons up, increasing the costs that parents have to pay to have those kids in that group. It does not qualify under the charitable provisions of the goods and services tax for any rebate whatsoever.

People from many other sectors talked to us including tourism, hospitality and agriculture. I look forward to talking about those sectors at another time.

Mr. Jack Iyerak Anawak (Nunatsiaq): Madam Speaker, it is always an honour to get up and speak to this house as the member from Nunatsiaq, the good land, the beautiful land. Before the end of the Thirty-fourth Parliament I intend to ensure that all members know more about the area I come from. Hopefully, some of them will be able to come up to see for themselves, as my colleagues from my party had the good sense to do over the course of the summer. I invite anybody who is willing to come there to see for themselves not only the beauty of the land, but also the way people live up north and how hard it is to live there with the cost of living being as high as it is. I would like to touch on that during the course of my speech addressing the bill on excise tax.

I am pleased to have the opportunity to speak on Bill C-20, an act to amend the Excise Tax Act and the Excise Tax. This bill implements certain changes announced in the budget of last April concerning excise taxes and duties on tobacco products and gasoline and increasing sales tax rates pending the implementation of the goods and services tax.

• (1900)

Last June, at second reading of this bill, the Minister of State for Finance said: "The measures taken in the April budget were carefully chosen to ensure a balanced approach that takes regional situations into account and that imposes the heaviest burden on those who are most able to bear it". On behalf of northerners I would like to challenge that statement.

In referring to the federal sales tax as the centrepiece of another government strategy to strengthen Canada's economy and preserve essential programs, the minister said: "The sales tax will result in significant gains for economic production in all sectors of the economy and all regions of Canada". Again, on behalf of northern regions of this country, I challenge that statement as well.

A budgetary measure which is being implemented with this bill is an across-the-board increase in the existing federal sales tax rates in advance of the goods and services tax. The federal sales tax rate increases are, according to the government, a revenue bridge to the new goods and services tax.

What are these rate increases? There is a 1.5 per cent increase in the general sales tax rate from 12 per cent to 13.5 per cent effective June 1, 1989. Effective April 28, 1989, there was a 1 per cent increase to 19 per cent for alcohol and tobacco products. Effective June 1, 1989, the federal sales tax rate on telecommunications and telecommunication programming services was 11 per cent. On January 1, 1990, the federal sales tax rate on construction materials goes up to 9 per cent. All together these measures will contribute to about $1 billion in 1989 and $2 billion in 1990 toward reducing the deficit.

Excise duties on cigarettes as well as federal sales taxes are raised so that the federal revenue from a carton of cigarettes is increased to $4. This bill also implements increases in excise taxes on gasoline and aviation gas. Effective April 28 the excise taxes on gasoline rose by 1 cent per litre. They will rise again on January 1, 1990, by an additional 1 cent per litre.

The tax increases which are being given effect by this bill have negative effects on the north and northerners. There is a program at the present time under which primary producers such as farmers, fishermen, loggers, miners, hunters and trappers receive rebates on federal sales and excise taxes on motor vehicle fuels. Hunters and trappers currently receive a rebate of 5 cents per litre of gasoline. After December 31 of this year hunters and trappers will no longer receive rebates for the excise tax.

On April 28 hunters and trappers had to pay an additional 1 cent per litre in excise tax on gasoline. On December 31, they will lose the rebate on the excise tax and on January 1, 1990, they will have to pay an additional 1 cent per litre on their gasoline.

The hunters and trappers of the north are among the poorest citizens of this country. They hunt and trap to feed and clothe their families. These tax increases on the fuel they need to assist them in providing for their families is going to impair their ability to do so.

As a general comment, the increase in gasoline and aviation fuel excise taxes also has a disproportionate impact on the north because of the higher usage of aviation fuel for transportation in the north. The increase in the telecommunication tax also affects northern residents in a disproportionate manner. Because of the great distances in the north we use fax machines to compensate for the poor mail service and we have to call longer distances by telephone.

Sales tax increases, as the government knows, are regressive taxes. Lower income Canadians feel the impact of sales tax increases more than higher income Canadians. Yet it was this government in the previous Parliament that increased the federal sales tax from 9 per cent to 12 per cent. In last April's budget, the government raised the federal sales tax to 13.5 per cent. Now it wants to replace the federal sales tax with the goods and services tax in 1991.

• (1905)

The new goods and services tax is to be applied at the rate of 9 per cent to a broad range of goods and services that have never been taxed before. The government argues that since the rate will be reduced from 13.5 per cent to 9 per cent Canadians will be better off. The government does not want Canadians to remember that it was the government which raised the existing federal sales tax from 9 per cent to 13.5 per cent since it was elected in 1984. There is no guarantee, furthermore, that the savings from reducing the tax will be passed on to the consumer. Also, many more goods and services are going to be taxed than before.

When the Finance Committee heard from northerners in the Yukon and the Northwest Territories they heard that northerners do not want this tax. It will impact on northerners more than those on any other part of the country because of the high freight and transportation costs in the north, and the fact that northern costs of living are the highest in the country.

One of the other examples that I would like to use is the proposed 32 per cent increase in postal rates. This increase was supposed to be on November 13 of this year. However, because of the objection of members of Parliament as well as other leaders from the north, Canada Post decided that it could postpone raising the postal rates until January 31, 1990. January 31, 1990 is in three months, and Canada Post considers that it is doing us a favour by giving us an extra three months to try to come up with alternatives to combat the 32 per cent postal rate increase on food, on produce that is sent up to the north.

It is all very well to think that we get a breathing space of three months. However, one must be aware that in those three months falls the month of December in which the government basically stops operating. It is the Christmas month. People want to be with their families.

They want to go home for the Christmas holidays. Their minds are on Christmas and they are reflecting on the past year and not necessarily on whether they should be meeting to address the concerns of a few thousand people in the north. Those few thousand people in the north are going to feel the effects of that 32 per cent rate increase on January 31. Yet the people at Canada Post or the minister responsible for Canada Post do not seem to care very much about what will happen when that rate increase goes into effect.

We know what is going to happen. People are going to feel that they can do without that extra cucumber or orange or milk and use substitutes instead. Here it is taken for granted that you can go to any grocery store and buy any one of those things I just mentioned to feed your family so that you have good nutrition. People in the north do not have the luxury of being able to jump in the car and drive to the nearest supermarket to buy oranges, apples, celery or all those other good nutritional foods that accompany what your main meal might be. I must admit that we do have some good food up north in terms of caribou, seal, whale, walrus, whatever. However, we now know that we need that produce to make sure our kids stay healthy.

• (1910)

On January 31, we are going to feel the effects of this 32 per cent rate increase. If there was a 32 per cent rate increase down here there would be chaos in members' ridings. Everybody would be screaming bloody murder from all areas across Canada. I talk about screaming bloody murder because people would not accept a 32 per cent rate increase down here. They would never allow it, never mind a 10 per cent or a 5 per cent rate increase on postal services on which the lifeline of the north depends.

The *Ottawa Citizen* on Wednesday said: "Northerners Lifeline Goes on Block". It is very true. It is the lifeline that is going on the block. What will happen is that people will go without.

Just by way of example of this happening, earlier in the year there was a report that mothers from Broughton Island had some PCBs in their milk. One mother decided that she should not be feeding her baby on her milk. Because she could not afford the milk that was in the store, she bought Coffeemate. How much nutritional value does Coffeemate have? That is what will happen to the people up north with this increase of 32 per cent added on to the 9 per cent goods and services tax. Added on to that is the fact that unemployment insurance benefits are now going to decrease by three weeks from 42 weeks to 39 weeks for those who work 10 weeks or less, and for those who work 18 weeks or less from 50 weeks to 47 weeks.

With all that, we are not going to be able to afford to buy any store bought goods. We can hardly afford to buy them now. Earlier in the summer we heard on national radio that one of the members from our party went into a store in the Iquluit, looked at a turkey, and could not believe that that turkey cost $70. Here you can go into any store and buy the same turkey for about $25. No wonder we do not really have Thanksgiving. To give thanks for Thanksgiving you have to spend so many dollars just for the turkey, without the trimmings. It is always an honour for me to address the House and try to teach the members a little bit more about the north. I hope that before the end of this Parliament a lot of members will be more knowledgeable about the north.

• (1915)

In the Throne Speech earlier this year in April the north was mentioned quite prominently. At that time my remark was, "Great, we were mentioned quite prominently". I figured that we were sort of being handled with a velvet glove before the hammer came down. It seems that this has been the case today.

In conclusion, I would just like to take this opportunity to say that there has to be some recognition that the north is a very unique area where special concerns have to be addressed in terms of the economy, how the people live and where the cost of living is two to three times higher than here.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I rise, not entirely unmindful of the consternation this may cause in the breasts of some members, to participate briefly in the debate tonight. In the form of something of a protest. I understand the question before the House at the moment is and seconded by members of the Liberal Party. It takes the form of a six-month hoist.

Mr. Boudria: It's a reference to committee.

Mr. Harvey (Edmonton East): It is not a hoist? I am sorry then. My objection remains. It is simply this. The hoist amendment and the referral amendment are in essence boring. It is these boring dilatory formulations with which this House has been afflicted on several questions now during this session.

I, for one, would like to take this opportunity to urge my friends in the Liberal Party if they are going to continue to propose dilatory motions at various readings to move more into reasoned amendments. Reasoned amendments have about them the advantage of a certain political *joie de vivre* in that they are almost without exception the opportunity to propose exactly why it is that the bill before the House is execrable and ought not to be proceeded with. This lends to the debate in such instances a certain focus—

Mr. Walker: Slow down. We can't keep up with you. What was that word?

Mr. Harvey (Edmonton East): Am I to put up with this harassment, Madam Speaker?

If I may be allowed to proceed, I would only say and emphasize, if I may, that the reasoned amendment is a course that I would commend to my Liberal friends in the House. This one, for example, was perfectly susceptible to a reasoned amendment dealing with the increase in the manufacturers sales tax from 12 per cent to 13.5 per cent. It was the perfect opportunity to place a substantive objection before the House in the form of a reasoned amendment and thereby stimulate, as is to be hoped, some reasonable, intelligent, even dare I say it, passionate debate on that question. But, no, once again we have the tepid, flaccid, in most respects pointless dilatory motion to refer to a committee. I ask you, Madam Speaker: in the array of devices available to a parliamentarian in this House, there are few that could be deemed more boring. It is unfortunate that this is the sort of material given by the Liberal caucus to this House for this House to deal with.

• (1920)

Having said that, I would just say, of course we will support this dilatory motion, because it is—

Mr. Boudria: It is not a dilatory motion.

Mr. Peterson: It is a hoist.

Mr. Harvey (Edmonton East): The Liberals cannot agree among themselves. I will grant them that it makes it somewhat less boring.

Mr. Walker: It is a reference.

Mr. Harvey (Edmonton East): Now it is a reference. This is getting better all the time.

In conclusion, I would just say that we will support the motion because it is implicitly, at least, a rejection of the bill. That is to its credit. That is all that is to its credit, but it is to its credit.

I think I can safely say on behalf of all of my colleagues here that the bill before the House enjoys no support in this caucus. I assume it enjoys none in that caucus. Perhaps now we can get to the vote.

Mr. Walker: Madam Speaker, perhaps since you are also from Alberta, you can just translate what we have just heard so we can better understand what took place.

The Acting Speaker (Mrs. Sparrow): I might have just as much difficulty as you.

Mr. Boudria: Madam Speaker, for the benefit of our colleague who was commenting on a subject which he obviously had not seen or heard, perhaps I could take this opportunity to read the amendment to him so that in the future he will at least know what it was that he was talking about earlier tonight.

Effectively, the motion we moved earlier tonight was the following:

> That the motion be amended by striking out all the words after the word "That" and substituting the following:
>
> > That Bill C-20, an Act to amend the Excise Tax Act and the Excise Act be not now read a third time, but that it be referred back to a legislative committee for reconsideration of Clause 8(1)

I just want my colleague to know what it was that he made his speech about. It is always nice to go back home and be able to explain to one's constituents just what one was saying.

Mr. Harvey (Edmonton East): Madam Speaker, I thank my friend for that kind elucidation, although I must say the point remains. The motion lacks the pith and passion that might otherwise be present in a proper reasoned amendment.

The Acting Speaker (Mrs. Sparrow): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Sparrow): The question is on the amendment.

Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Sparrow): All those in favour of the amendment will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Sparrow): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Sparrow): In my opinion the nays have it.

Pursuant to Order made Tuesday, November 7, 1989, the recorded division stands deferred until 12 o'clock noon, Thursday, November 9, 1989.

It being 7.24 p.m., pursuant to Order made November 7, the House stands adjourned until tomorrow pursuant to Standing Order 24(1).

The House adjourned at 7.25 p.m.